

DEPARTMENT OF TRANSPORTATION AND RELATED
AGENCIES APPROPRIATIONS BILL, 1999

JULY 24, 1998.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. WOLF, from the Committee on Appropriations,
submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 4328]

The Committee on Appropriations submits the following report in
explanation of the accompanying bill making appropriations for the
Department of Transportation and related agencies for the fiscal
year ending September 30, 1999.

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SUMMARY AND MAJOR RECOMMENDATIONS OF THE BILL

The accompanying bill would provide \$13,735,899,900 in new budget (obligational) authority for the programs of the Department of Transportation and related agencies, an increase of \$276,728,900 above the \$13,459,171,000 requested in the budget. In total, the bill includes obligational authority (new budget authority, guaranteed obligations contained in the Transportation Equity Act for the 21st Century (TEA21), limitations on obligations, and exempt obligations) of \$46,891,913,900. This is \$4,767,529,134 more than the comparable fiscal year 1998 enacted levels and \$3,878,791,043 more than the budget request.

Selected major recommendations in the accompanying bill are:

- (1) An appropriation of \$7,677,558,000 for the Federal Aviation Administration, an increase of \$275,964,000 above the fiscal year 1998 level;
- (2) A provision providing for \$1,800,000,000 for grants-in-aid for airports, an increase of \$100,000,000 over the fiscal year 1998 level and the budget request;
- (3) An appropriation of \$2,700,000,000 for operating expenses of the Coast Guard, including \$406,000,000 for counter-drug activities (an increase of \$40,000,000 or 11 percent) above the fiscal year 1998 level;
- (4) An appropriation of \$609,230,000 for grants to the National Railroad Passenger Corporation (Amtrak), to cover capital expenses;
- (5) An appropriation of \$50,000,000 to complete the construction of the 103-mile Washington, D.C. metrорail system;
- (6) A total of \$73,230,900 for the office of the secretary, \$4,993,100 below fiscal year 1998 and \$5,175,100 below the budget request;
- (7) Highway program obligation limitations of \$25,511,000,000, consistent with provisions of TEA21, and \$4,011,000,000 over fiscal year 1998; and
- (8) Transit program obligation limitations of \$5,365,000,000 consistent with provisions of TEA21, and \$521,262,000 over fiscal year 1998.

THE EFFECT AND IMPLEMENTATION OF THE TRANSPORTATION
EQUITY ACT FOR THE 21ST CENTURY

Over the objections of the House and Senate Committees on Appropriations and the House and Senate Budget Committees, the Transportation Equity Act for the 21st Century (TEA21) amended the Budget Enforcement Act to provide two new additional spending categories or “firewalls”, the highway category and the mass transit category. The highway category is comprised of all funding for federal-aid highways, motor carrier safety programs, highway safety grants, and highway safety research and development programs. The highway category obligations are capped at \$25,883,000,000 and outlays are capped at \$21,885,000,000 in fiscal year 1999. If appropriations action forces highway obligations or outlays to exceed these levels, the difference is charged against the non-defense discretionary spending category. Likewise, the transit category is comprised of funding for transit formula grants, transit capital projects, Federal Transit Administration administrative expenses, transit planning and research programs, and university transportation research. The mass transit category obligations are capped at \$5,365,000,000 and outlays are capped at \$4,401,000,000 in fiscal year 1999. Any additional appropriated funding above the levels specified as guaranteed for each transit program in TEA21 (that which could be appropriated from general funds authorized under section 5338(h) of TEA21) is charged to the non-defense discretionary category.

These “firewalls” make it virtually impossible for the Appropriations Committee to make downward adjustments to those funding levels in the annual appropriations process over the next five years. This Committee argued that providing large increases for those programs, and guaranteeing those amounts through firewall mechanisms and points of order in the House, essentially created mandatory appropriations within the discretionary caps, which would undermine Congressional flexibility to fund other equally important programs. As a result, of the \$46,891,913,900 of budgetary resources provided in this bill, nearly 70 percent, is not controlled by annual appropriations Acts but is predetermined by TEA21. The remaining \$14,800,000,000 includes appropriations and budgetary resources principally for the National Railroad Passenger Corporation (Amtrak), the U.S. Coast Guard, the Federal Aviation Administration, the offices of the secretary, the Research and Special Programs Administration, and a number of smaller independent agencies. These appropriations are currently controlled by annual appropriations action.

The Committee has worked hard in this new environment to produce a balanced bill, which provides adequately for all modes of transportation. The transportation subcommittee has been allocated a 7.4 percent increase (\$2.8 billion) in outlays for the coming fiscal year, while the non-defense discretionary budget as a whole is at a hard freeze. Clearly, this increase will cause non-transportation programs all across the government to be under more severe budget pressures, in order to keep the overall budget in balance. However, the effect of the firewalls also leaves its mark on those transportation programs and activities not covered within the sur-

face transportation guarantees—most notably the Coast Guard and the Federal Aviation Administration. Since the highway and transit guarantees consume the full 7.4 percent increase provided to the Subcommittee, other agencies in the bill must compete for left-over funding, which is essentially at a hard freeze. The FAA and the Coast Guard together requested an increase of almost \$600,000,000 in fiscal year 1999 outlays. Although reasonable, this level of funding is simply not possible because of the firewalls, resulting in a Committee bill approximately \$250,000,000 below the request for these safety-related agencies. Since the Subcommittee is required to allocate all of its increased resources to firewallled programs, these other agencies will continue to feel the budgetary pressures.

The Committee has done the best it can considering the new firewalls. However, the Committee is concerned that this new legislation skews transportation priorities inappropriately, by providing a banquet of increases to highway and transit spending while leaving safety-related agencies such as the Coast Guard and FAA to scramble for the remaining crumbs. In addition, high priority policy initiatives such as increased funding for drug interdiction could not be fully funded without offsetting cuts in Coast Guard spending because of the firewalls. The Committee continues to believe that safety should remain the Federal Government's highest responsibility in the transportation area. Were it not for the firewalls, a portion of the generous 7.4 percent increase could have been allocated to improvements in aviation or maritime safety, and more could have been done to fight the menace of illegal drug trafficking, while still providing significant increases in highway and transit programs. The Committee has also been unable to consider increases above the guaranteed levels for highways and transit programs, because it would have required even further reductions in critical FAA and Coast Guard programs.

TABULAR SUMMARY

A table summarizing the amounts provided for fiscal year 1998 and the amounts recommended in the bill for fiscal year 1999 compared with the budget estimates is included at the end of this report.

COMMITTEE HEARINGS

The Committee has conducted extensive hearings on the programs and projects provided for in the Department of Transportation and Related Agencies Appropriations Bill for fiscal year 1999. These hearings are contained in seven published volumes totaling approximately 9,000 pages. The Committee received testimony from officials of the executive branch, Members of Congress, officials of the General Accounting Office, officials of state and local governments, and private citizens.

The bill recommendations for fiscal year 1999 have been developed after careful consideration of all the information available to the Committee.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 1999, for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended, with respect to appropriations contained in the accompanying bill, the terms “program, project, and activity” shall mean any item for which a dollar amount is contained in an appropriations Act (including joint resolutions providing continuing appropriations) or accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference. This definition shall apply to all programs for which new budget (obligational) authority is provided, as well as to capital investment grants, Federal Transit Administration. In addition, the percentage reductions made pursuant to a sequestration order to funds appropriated for facilities and equipment, Federal Aviation Administration, and for acquisition, construction, and improvements, Coast Guard, shall be applied equally to each “budget item” that is listed under said accounts in the budget justifications submitted to the House and Senate Committees on Appropriations as modified by subsequent appropriations Acts and accompanying committee reports, conference reports, or joint explanatory statements of the committee of conference.

SAFETY PROGRAMS

In this bill, the Committee has worked hard to protect funding for essential safety-related programs of the Department of Transportation and the independent agencies. This has been difficult, but not impossible, given the budget constraints faced by the Federal Government this year. In some cases, funds have been added to the administration’s request for safety-related activities. However, if, in the judgment of departmental officials any of the Committee’s recommendations would significantly harm transportation safety, or if unanticipated safety needs arise during the course of the appropriations process, the Committee welcomes discussions with the administration to adjust individual funding levels and provide the funding needed. The bill also allows significant flexibility through the reprogramming process, which requires no further legislative action. The Committee will work with administration officials to reprogram funds for safety programs if that should be required.

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

Appropriation, fiscal year 1998 ¹	\$61,000,000
Budget estimate, fiscal year 1999	61,930,000
Recommended in the bill ²	(57,979,900)
Bill compared with:	
Appropriation, fiscal year 1998	– 3,020,100
Budget estimate, fiscal year 1999	– 3,950,100

¹ Excludes reductions of \$343,000 for TASC.

² Total amount appropriated in separate accounts.

The bill provides a total program level of \$57,979,900 for the salaries and expenses of the various offices comprising the Office of the Secretary. This year, however, the Committee has not approved the consolidated appropriations request for the various offices within the office of the secretary. Specific program recommendations are discussed in this report under the individual appropriations accounts.

Congressional justifications.—The Committee was displeased with the untimely submission of the department's fiscal year 1999 congressional justifications. While other executive departments are able to submit their congressional justifications concurrent with the official submission of the President's budget to Congress, the department has not been able to do the same. Therefore, the Committee directs the department to submit all of the department's fiscal year congressional justifications on the first Monday in February, concurrent with the official submission of the President's budget to Congress.

Moreover, the department is directed to submit its fiscal year 2000 congressional justification materials for the salaries and expenses of the office of the secretary at the same level of detail provided in the congressional justifications presented in fiscal year 1994.

Staffing levels.—The offices comprising the offices of the secretary are directed not to fill any positions in fiscal year 1998 that are currently vacant, particularly if such vacancies are proposed in this Act for elimination in fiscal year 1999 and not to fill those positions in 1998 unless the statement of managers accompanying the conference report for this bill specifically references the individual positions being restored.

The Committee has endeavored to eliminate various positions that the department had indicated were vacant at the time the Committee was finalizing its recommendations. It is the intent of the Committee to avoid any reductions in force and the Committee intends to work with the department as the final conference report is developed to avoid serious personnel disruptions.

Travel.—The Committee directs that travel funds appropriated for offices of the secretary shall not be supplemented with funds from other elements of the department excluding those related to the use of military aircraft.

GENERAL PROVISIONS

Limitation on political and Presidential appointees.—The Committee has included a provision in the bill (sec. 305), similar to provisions in past Department of Transportation and Related Agencies Appropriations Acts, which limits the number of political and Presidential appointees within the Department of Transportation. The ceiling for fiscal year 1999 is 88 personnel, which is 19 below the ceiling enacted in fiscal year 1998 and the same level as on board at the end of fiscal year 1997. The Committee notes that the department had only 77 political and presidential appointees on board this spring, and at no time since 1991 have such positions exceeded 100. The bill specifies that no political or presidential appointee may be detailed outside the Department of Transportation.

Advisory committees.—The Committee has continued bill language that was included in past Department of Transportation and Related Agencies Appropriations Acts which limit the funds used for advisory committees of the Department of Transportation. The budget requested that the limitation be deleted.

IMMEDIATE OFFICE OF THE SECRETARY

Appropriation, fiscal year 1998 ¹	(\$1,916,300)
Budget estimate, fiscal year 1999 ²	(1,988,800)
Recommended in the bill	1,623,800
Bill compared with:	
Appropriation, fiscal year 1998	– 292,500
Budget estimate, fiscal year 1999	– 365,000

¹Appropriated within the consolidated salaries and expenses account.

²Requested in the consolidated salaries and expenses account.

The Immediate Office of the Secretary has the primary responsibility to provide overall planning, direction, and control of departmental affairs. The Committee recommends an appropriation of \$1,623,800 for expenses of the Immediate Office of the Secretary, which represents a reduction of \$292,500 from comparable levels provided for fiscal year 1998, and \$365,000 below the budget request. The recommendation assumes the following staffing and other reductions:

Eliminate 1 staff assistant	– \$100,000
Eliminate 1 deputy chief of staff	– 150,000
Disallow printing costs related to Garrett A. Morgan technology and transportation futures program	– 15,000
Reduction in travel costs	– 100,000

Eliminate various staff positions.—The Committee recommendation assumes the elimination of one staff assistant position and one deputy chief of staff. The Committee believes that these positions can be eliminated without affecting the core responsibilities, duties and functions of the department or the office of the secretary. In light of other downsizing and staff reductions planned by the department and recommended by the Committee, the office of the secretary should set the example for the department.

Disallow printing costs related to Garrett A. Morgan technology and transportation futures program.—The Committee has not provided \$15,000 requested to print documents related to the Garrett A. Morgan program, a program that seeks to encourage minority students to pursue transportation careers. Funds for this activity are included within the \$200,000 provided to RSPA for the Garrett A. Morgan program in fiscal year 1999.

Reduction in travel costs.—The Committee recommends that travel expenses of the immediate office of the secretary be reduced by \$100,000. Travel expenses of this office have increased by almost 70 percent in one year, far in excess of the rate of inflation. Increases in travel of this magnitude are not justified. The Committee recommendation will provide a total of \$160,000 for travel in fiscal year 1999, the same level as approved by the Congress in fiscal year 1998. In light of other downsizing and staff reductions planned by the department and recommended by the Committee, the office of the secretary should set an example of economy for the department.

IMMEDIATE OFFICE OF THE DEPUTY SECRETARY

Appropriation, fiscal year 1998 ¹	(\$554,700)
Budget estimate, fiscal year 1999 ²	(595,900)
Recommended in the bill	585,000
Bill compared with:	
Appropriation, fiscal year 1998	+30,300
Budget estimate, fiscal year 1999	– 10,900

¹Appropriated within the consolidated salaries and expenses account.

²Requested in the consolidated salaries and expenses account.

The Immediate Office of the Deputy Secretary has the primary responsibility to assist the Secretary in the overall planning, direction and control of departmental affairs. The Committee recommends an appropriation of \$585,000 for expenses of the office of the deputy secretary, which represents an increase of \$30,300 from comparable levels provided for fiscal year 1998, and \$10,900 below the budget request. The recommendation assumes a staffing level of 7 full time equivalent positions and the following reduction:

Reduction in travel costs	– \$10,900
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Reduction in travel costs.—The Committee recommends that travel expenses of the immediate office of the deputy secretary be reduced by \$10,900. Travel expenses of this office have increased by over 130 percent since 1995 and almost 63 percent since 1996, far in excess of the rate of inflation. This reduction will provide a total of \$15,100 for travel in fiscal year 1999, the same level as provided in fiscal year 1996. In light of other downsizing and staff reductions planned by the department and recommended by the Committee, the immediate offices of the secretary and deputy secretary should set the example of economy for the department.

OFFICE OF THE GENERAL COUNSEL

Appropriation, fiscal year 1998 ¹	(\$8,745,800)
Budget estimate, fiscal year 1999 ²	(9,195,000)
Recommended in the bill	8,895,000
Bill compared with:	
Appropriation, fiscal year 1998	+149,200
Budget estimate, fiscal year 1999	– 300,000

¹Appropriated within the consolidated salaries and expenses account.

²Requested in the consolidated salaries and expenses account.

The Office of the General Counsel provides legal services to the Office of the Secretary and coordinates and reviews the legal work of the chief counsels' offices of the operating administrations.

The Committee recommends an appropriation of \$8,895,000 for expenses of the office of general counsel, which represents an increase of \$149,200 from comparable levels provided for fiscal year 1998, and \$300,000 below the budget request. The recommendation assumes the elimination of 3 attorney advisors (– \$300,000).

OFFICE OF THE ASSISTANT SECRETARY FOR POLICY

Appropriation, fiscal year 1998 ¹	(\$2,795,500)
Budget estimate, fiscal year 1999 ²	(2,767,200)
Recommended in the bill	2,667,200
Bill compared with:	
Appropriation, fiscal year 1998	– 128,300
Budget estimate, fiscal year 1999	– 100,000

¹Appropriated within the consolidated salaries and expenses account.

²Requested in the consolidated salaries and expenses account.

The Assistant Secretary for Policy is the chief domestic policy officer of the department and is responsible to the Secretary for analysis, development, communication and review of policies and plans for domestic transportation issues.

The Committee recommends an appropriation of \$2,667,200 for expenses of the office of the assistant secretary for policy, which represents a reduction of \$128,300 from comparable levels provided for fiscal year 1998, and \$100,000 below the level requested in the budget. The recommendation assumes the elimination of 2 policy analysts (–\$100,000).

OFFICE OF THE ASSISTANT SECRETARY FOR AVIATION AND INTERNATIONAL AFFAIRS

Appropriation, fiscal year 1998 ¹	(\$7,554,300)
Budget estimate, fiscal year 1999 ²	(7,427,200)
Recommended in the bill	7,002,200
Bill compared with:	
Appropriation, fiscal year 1998	– 552,100
Budget estimate, fiscal year 1999	– 425,000

¹Appropriated within the consolidated salaries and expenses account.

²Requested in the consolidated salaries and expenses account.

The Assistant Secretary for Aviation and International Affairs is responsible for administering economic regulatory functions regarding the airline industry and provides departmental leadership and coordination on international transportation policy issues relating to maritime, trade, technical assistance and cooperative programs.

The Committee recommends an appropriation of \$7,002,200 for expenses of the office of the assistant secretary for aviation and international affairs, which represents a reduction of \$552,100 from comparable levels provided for fiscal year 1998, and \$425,000 below the level requested in the budget. The recommendation assumes the following staffing reductions:

Eliminate 4 transportation industry analysts	– \$300,000
Eliminate 1 special assistant	– 125,000

OFFICE OF THE ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS

Appropriation, fiscal year 1998 ¹	(\$6,119,800)
Budget estimate, fiscal year 1999 ²	(6,464,300)
Recommended in the bill	6,069,300
Bill compared with:	
Appropriation, fiscal year 1998	– 50,500
Budget estimate, fiscal year 1999	– 395,000

¹Appropriated within the consolidated salaries and expenses account.

²Requested in the consolidated salaries and expenses account.

The Assistant Secretary for Budget and Programs is responsible for developing, reviewing and presenting budget resource requirements for the department to the Secretary, Congress and the Office of Management and Budget.

The Committee recommends an appropriation of \$6,069,300 for expenses of the office of the assistant secretary for budget and programs, which represents a decrease of \$50,500 from comparable levels provided for fiscal year 1998, and \$395,000 below the budget request. The recommendation assumes the following reductions:

Disallow increase in reception and representation costs	– \$20,000
Eliminate 1 staff accountant and 1 program analyst	– 175,000
General reduction due to budget constraints	– 200,000

Disallow increases in reception and representation costs.—The Committee has not provided an increase of \$20,000 for additional reception and representation activities. This request has been rejected for the past several years. In light of significant staffing reductions and budget constraints, approving additional appropriations for reception and representation cannot be justified.

OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS

Appropriation, fiscal year 1998 ¹	(\$1,873,000)
Budget estimate, fiscal year 1999 ²	(1,940,600)
Recommended in the bill	1,672,000
Bill compared with:	
Appropriation, fiscal year 1998	– 201,000
Budget estimate, fiscal year 1999	– 268,600

¹Appropriated within the consolidated salaries and expenses account.

²Requested in the consolidated salaries and expenses account.

The Office of the Assistant Secretary for Governmental Affairs is responsible for coordinating all Congressional, intergovernmental, and consumer activities of the department.

The Committee recommends an appropriation of \$1,672,000 for this office, which represents a decrease of \$201,000 from the comparable 1998 level and a decrease of \$268,600 from the budget request. The recommendation assumes a staffing level of 22 full time equivalent positions, one fewer than provided in fiscal year 1998 and requested in the budget. The recommendation assumes the following reductions:

Eliminate deputy assistant secretary for governmental affairs	– \$150,000
General reduction due to budget constraints	– 100,000
Travel reductions	– 18,600

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Appropriation, fiscal year 1998 ¹	(\$20,137,200)
Budget estimate, fiscal year 1999 ²	(20,213,100)
Recommended in the bill	19,147,100
Bill compared with:	
Appropriation, fiscal year 1998	– 990,100
Budget estimate, fiscal year 1999	– 1,066,000

¹Appropriated within the consolidated salaries and expenses account and includes reduction of \$343,000 for TASC and carryover of \$505,900.

²Requested in the consolidated salaries and expenses account.

The Office of the Assistant Secretary for Administration is responsible for coordinating, overseeing and conducting various accounting, procurement, personnel management, and ADP operations of the department.

The Committee recommends an appropriation of \$19,147,100 for expenses of the office of the assistant secretary for administration, which represents a reduction of \$990,100 from comparable levels provided for fiscal year 1998, and \$1,066,000 below the budget request. The recommendation assumes the following reductions:

Disallow increase in travel expenses	– \$16,000
Eliminate 3 positions (1 budget analyst, 1 program analyst, 1 procurement analyst)	– 300,000
Eliminate 10 procurement analysts from the office of acquisition	– 750,000

Eliminate 3 positions.—The Committee recommendation eliminates three positions within the office of administration: 1 budget analyst, 1 program analyst, and 1 procurement analyst. These positions are currently vacant and there does not appear to be any plan to fill them.

Eliminate 10 procurement analysts from the office of acquisition.—The Committee recommendation reduces by 10 the number of procurement analysts in the office of acquisition and grants management. While the Committee once supported the department's intended aggressive initiative to improve acquisition oversight at the departmental level, the Committee now questions the value added by limited, informal secretarial reviews. Over the past years, the FAA, which is responsible for the majority of the department's major initiatives, has been provided new acquisition authorities, including greater flexibility and latitude in its procurement program, and as a result, the administrative offices of the secretary have little, if any, oversight role.

OFFICE OF PUBLIC AFFAIRS

Appropriation, fiscal year 1998 ¹	(\$1,746,600)
Budget estimate, fiscal year 1999 ²	(1,752,600)
Recommended in the bill	1,377,600
Bill compared with:	
Appropriation, fiscal year 1998	– 369,000
Budget estimate, fiscal year 1999	– 375,000

¹Appropriated within the consolidated salaries and expenses account.

²Requested in the consolidated salaries and expenses account.

The Office of Public Affairs is responsible for news releases, articles, fact sheets, briefing materials, publications, and audio-visual materials of the department.

The Committee recommends an appropriation of \$1,377,600 for expenses of the office of public affairs, which represents a reduction of \$369,000 from comparable levels provided for fiscal year 1998, and \$375,000 below the budget request. The recommendation assumes the following reductions:

Eliminate public affairs associate director of speechwriting and research	– \$125,000
Eliminate 2 public affairs specialists	– 100,000
Eliminate special assistant to the associate director	– 125,000

Eliminate various positions.—The Committee recommends elimination of four positions within the office of public affairs. In light of budget constraints and other government downsizing, public affairs operations not critical to the department can be reduced without significantly affecting the core responsibilities of the office of the secretary.

EXECUTIVE SECRETARIAT

Appropriation, fiscal year 1998 ¹	(\$1,088,500)
Budget estimate, fiscal year 1999 ²	(1,046,900)
Recommended in the bill	1,046,900
Bill compared with:	
Appropriation, fiscal year 1998	– 41,600
Budget estimate, fiscal year 1999 .....	.....

¹Appropriated within the consolidated salaries and expenses account.

²Requested in the consolidated salaries and expenses account.

The Executive Secretariat assists the Secretary and Deputy Secretary in carrying out their management functions and responsibilities by controlling and coordinating internal and external written materials.

The Committee recommends an appropriation of \$1,046,900 for expenses of the office of the executive secretariat, which represents a reduction of \$41,600 from comparable levels provided for fiscal year 1998, and the same level as the budget request. The recommendation assumes a staffing level of 15 full time equivalent (FTE) positions, the same level as the budget request and a reduction of one FTE from fiscal year 1998.

BOARD OF CONTRACT APPEALS

Appropriation, fiscal year 1998 ¹	(\$480,700)
Budget estimate, fiscal year 1999 ²	(675,500)
Recommended in the bill	675,500
Bill compared with:	
Appropriation, fiscal year 1998	+194,800
Budget estimate, fiscal year 1999	

¹Appropriated within the consolidated salaries and expenses account.

²Requested in the consolidated salaries and expenses account.

The Board of Contract Appeals provides an independent forum for considering all contract-related claims by or against a contractor involving any element of the department.

The Committee recommends an appropriation of \$675,500 for expenses of the board of contract appeals, which represents an increase of \$194,800 from comparable levels provided for fiscal year 1998, and the same level as the budget request. The recommendation assumes a staffing level of 6 full time equivalent positions, the same level as in fiscal year 1998 and requested in the budget.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

Appropriation, fiscal year 1998 ¹	(\$1,053,600)
Budget estimate, fiscal year 1999 ²	(909,200)
Recommended in the bill	839,200
Bill compared with:	
Appropriation, fiscal year 1998	-214,400
Budget estimate, fiscal year 1999	-70,000

¹Appropriated within the consolidated salaries and expenses account.

²Requested in the consolidated salaries and expenses account.

The Office of Small and Disadvantaged Business Utilization is responsible for promoting small and disadvantaged business participation in the department's procurement and grants programs. The Committee recommends an appropriation of \$839,200 for expenses of the office of small and disadvantaged business utilization, which represents a reduction of \$214,400 from comparable levels provided for fiscal year 1998, and \$70,000 below the budget request. The recommendation assumes the elimination of one financial analyst.

Small business procurements.—The Committee encourages the department to increase small business procurement opportunities arising from projects that involve federal funding. Outreach and assistance to minority, women-owned and disadvantaged businesses should be promoted to increase participation in the department's procurements. The Committee recommends that a focused effort be

made to increase the opportunity and participation of small businesses in DOT-related procurements.

OFFICE OF INTELLIGENCE AND SECURITY

Appropriation, fiscal year 1998 ¹	(\$1,025,000)
Budget estimate, fiscal year 1999 ²	(1,036,100)
Recommended in the bill	961,100
Bill compared with:	
Appropriation, fiscal year 1998	– 63,900
Budget estimate, fiscal year 1999	– 75,000

¹Appropriated within the consolidated salaries and expenses account.

²Requested in the consolidated salaries and expenses account.

The Office of Intelligence and Security was created during fiscal year 1990 to address transportation intelligence and security issues. The primary purposes of the office are to provide intelligence and security oversight of the operating administrations to increase the safety and security of the traveling public, and to provide the Secretary and Deputy Secretary with current intelligence and security information, with special emphasis on potential or actual terrorist threats to transportation interests.

The Committee recommends an appropriation of \$961,100 for expenses of the office of intelligence and security, which represents a decrease of \$63,900 from comparable levels provided for fiscal year 1998, and \$75,000 below the level in the budget request. The recommendation assumes elimination of one transportation security specialist.

OFFICE OF THE CHIEF INFORMATION OFFICER

Appropriation, fiscal year 1998 ¹	(\$4,777,700)
Budget estimate, fiscal year 1999 ²	(4,874,600)
Recommended in the bill	4,400,000
Bill compared with:	
Appropriation, fiscal year 1998	– 377,700
Budget estimate, fiscal year 1999	– 474,600

¹Appropriated within the consolidated salaries and expenses account.

²Requested in the consolidated salaries and expenses account.

The Office of the Chief Information Officer serves as the principal advisor to the Secretary on matters involving information resources and information systems management, including responsibility over the Federal Aviation Administration's Year 2000 compliance efforts.

The Committee recommends an appropriation of \$4,400,000 for expenses of the office of the chief information officer, which represents a reduction of \$377,700 from comparable levels provided for fiscal year 1998, and \$474,600 below the budget request. The recommendation assumes a staffing level of 14 full time equivalent positions, the same level as provided in fiscal year 1998 and requested in the budget. The recommendation includes \$200,000 for tracking, renovation and validation of the department's Year 2000 efforts and reductions in other services due to outlay constraints (– \$474,600).

OFFICE OF INTERMODALISM

Appropriation, fiscal year 1998 ¹	(\$1,294,200)
Budget estimate, fiscal year 1999 ²	(1,041,900)
Recommended in the bill	1,018,000
Bill compared with:	
Appropriation, fiscal year 1998	- 276,200
Budget estimate, fiscal year 1999	- 23,900

¹ Appropriated within the consolidated salaries and expenses account.

² Requested in the consolidated salaries and expenses account.

Congress mandated that an office of intermodalism be established within the office of the secretary in Title V of the Intermodal Surface Transportation Efficiency Act of 1991. As an organization within the office of the secretary, the office works on intermodal initiatives involving multiple operating administrations, and on special projects assigned to, or by, the associate deputy secretary. Within the department, the office works with operating administrations through a partnership approach to problem solving. This approach ensures project outcomes that are shaped by the policies, programs, and regulatory interpretations of the operating administrations and the office of the secretary.

The Committee has provided \$1,018,000 for the office of intermodalism, which represents a reduction of \$276,200 from comparable levels provided for fiscal year 1998 and \$23,900 below the budget request. The recommendation assumes a reduction of \$23,900 in travel expenses, which holds travel to the levels approved in fiscal year 1998. The Committee notes that an excessive amount of travel to attend overseas forums has occurred over the past year, despite numerous vacancies within the office.

OFFICE OF CIVIL RIGHTS

Appropriation, fiscal year 1998 ¹	\$5,574,000
Budget estimate, fiscal year 1999	6,966,000
Recommended in the bill	6,966,000
Bill compared with:	
Appropriation, fiscal year 1998	+1,392,000
Budget estimate, fiscal year 1999	

¹ Excludes reductions of \$12,000 for TASC.

The Office of Civil Rights is responsible for advising the Secretary on civil rights and equal opportunity matters and ensuring full implementation of civil rights opportunity precepts in all of the Department's official actions and programs. This office is responsible for enforcing laws and regulations that prohibit discrimination in federally operated and federally assisted transportation programs. This office also handles all civil rights cases related to Department of Transportation employees.

The Committee recommends an appropriation of \$6,966,000 for expenses of the office of civil rights, which represents an increase of \$1,392,000 from fiscal year 1998 enacted levels and the same level as the budget request.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

Appropriation, fiscal year 1998 ¹	\$4,400,000
Budget estimate, fiscal year 1999	4,710,000
Recommended in the bill	3,035,000
Bill compared with:	
Appropriation, fiscal year 1998	-1,365,000
Budget estimate, fiscal year 1999	-1,675,000

¹ Excludes reductions of \$8,000 for TASC.

This appropriation finances those research activities and studies concerned with planning, analysis, and information development needed to support the Secretary's responsibilities in the formulation of national transportation policies. The overall program is carried out primarily through contracts with other federal agencies, educational institutions, nonprofit research organizations, and private firms.

The Committee recommends \$3,035,000 for this appropriation, which represents a decrease of \$1,675,000 below the request and \$1,365,000 from the 1998 enacted level. Within the total provided, the recommended level holds transportation planning and studies to \$700,000; provides the budget request of \$1,935,000 for salaries and administrative expenses; and holds transportation system planning to \$400,000. These levels will permit annualization and other pay-related costs for 15 FTE and will fully fund all ongoing activities, and will provide nominal increases for proposed studies and evaluations, albeit below the budget estimate.

The recommended level also provides \$400,000 for the department's transportation system planning activities, which represents a decrease of \$462,000 from the 1998 enacted level and \$770,000 below the budget request. The recommended level defers funding for continued development of the electronic grants system, automated coordination, and the FOIA response system. A requirements analysis study for the FOIA response system, including costs and benefits, has yet to be completed, and therefore the need for such a system has not been quantified.

None of the funds provided under this appropriation shall be for activities related to sustainable transportation.

Within the amounts provided for transportation planning, research and development, the Committee has included sufficient resources to fund a collaboration of industry, education, and government entities to develop a skilled workforce for the transportation industry, provided that total federal support for this activity not exceed \$1,000,000 in total.

TRANSPORTATION ADMINISTRATIVE SERVICE CENTER

Appropriation, fiscal year 1998 ¹	(\$121,800,000)
Budget estimate, fiscal year 1999 ²	(175,715,000)
Recommended in the bill ³	(109,124,000)
Bill compared with:	
Appropriation, fiscal year 1998	(-12,676,000)
Budget estimate, fiscal year 1999	(-66,591,000)

¹ In fiscal year 1998, the limitation on transportation administrative service center expenses was reduced by \$3,000,000.

² Proposed without limitation. Amount reflected is the estimated program level for FY 1999.

³ In fiscal year 1999, the limitation on transportation administrative service center expenses is also addressed in a general provision (-\$20,000,000).

The transportation administrative service center was created in fiscal year 1997 to provide common administrative services to the various modes and outside entities that desire those services for economy and efficiency. The fund is financed through negotiated agreements with the department's operating administrations and other governmental elements requiring the center's capabilities.

The Committee agreed to create the transportation administrative service center in fiscal year 1997 at the department's request. In agreeing to that request, the Committee limited (1) the activities that can be transferred to the transportation administrative service center to only those approved by the agency administrator and (2) special assessments or reimbursable agreements levied against any program, project or activity funded in this Act to only those assessments or reimbursable agreements and the basis for them are presented to and approved by the House and Senate Committees on Appropriations. These limitations are continued in fiscal year 1999.

The Committee recommends a limitation of \$109,124,000, a decrease of \$12,676,000 from the enacted level and \$66,591,000 below the request. The recommended reductions from the budget request reflect the following adjustments:

Eliminate the transportation computer center	-\$15,000,000
Disallow proposed transfer of the National Oceanic and Atmospheric Administration's Office of Aeronautical Charting and Cartography to the TASC	- 51,591,000

Transportation computer center.—The conference agreement accompanying the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act directed the department's Inspector General to evaluate TASC's utility and cost effectiveness both to the individual operating administrations and the department in general and determine whether TASC is providing quality services that are responsive to customer needs at competitive prices. The IG's audit concluded that TASC generally provides services of utility to its users; however, the audit also disclosed that several services raised substantive cost effectiveness issues.

Specifically, the IG determined that the Computer Center is currently capable of operating at only two-thirds of the level that OMB considers cost effective. The IG report concluded that this lack of cost effectiveness correlates closely with customer survey results indicating that 75 percent of the Computer Center's users expressed dissatisfaction with the cost competitiveness of the computer center.

The IG also obtained an evaluation report of the computer center prepared by a DOT consultant. Based upon that report and its own audit, the IG concluded that computer center does not have the customer base to operate in a cost effective manner and noted that "the justification for continued operation of the computer center is in doubt."

The Committee's recommendation eliminates the transportation computer center within the transportation administrative service center and permits the operating administrations to procure similar services from other governmental or private providers.

Disallow proposed transfer of the National Oceanic and Atmospheric Administration's Office of Aeronautical Charting and Cartography to the TASC.—The budget proposed that the National Oce-

anic and Atmospheric Administration's Office of Aeronautical Charting and Cartography (AC&C) be transferred from the Department of Commerce and placed within the TASC. While the department believes that the AC&C product offerings are closely aligned with the services provided by TASC, the Committee asserts that the aeronautical charting services ultimately support aviation safety missions within the FAA, and it is more logical that these services be performed within the FAA. The Committee recommendation includes funding for this activity within the FAA's appropriation for fiscal year 1999. Accordingly, the TASC obligation limitation has been reduced by \$51,591,000 and staff reduced by 379 FTE.

General provision.—The Committee has included a general provision which provides that amounts budgeted for the transportation administrative service center in this bill are reduced, on a pro-rata basis, to a limitation of \$89,124,000. The Committee believes that this reduction is justified given the significant personnel reductions that have occurred within the department over the past several years. For example, the department projects that if staffing adjustments continue at current rates through the end of fiscal year 1998, the 1998 civilian full time equivalent (FTE) employment will be about 1,620, or two percent, below the levels provided for in the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act. As such, common administrative expenses like copying, supplies, computer services, motor pool, parking and transit benefits, and telecommunications services should be declining and can be accommodated within the levels provided in this Act.

The Committee is concerned, however, that previous reductions in obligation authority have not been reflected in reduced billings to the modal administrations. As such, over the past several years, TASC charges have not been reduced to correspond to Congressional reductions and each year the modal administrations have had to absorb sizable shortfalls in TASC funding. The Committee directs the administrator of the TASC to develop a mechanism to ensure that the budget approved for the TASC in this Act corresponds to the appropriations provided to the modes in this Act. In allocating the reductions recommended in this Act for the TASC, the administrator of the TASC shall not reduce funding provided to the modes for the transportation computer center, as these services are to be acquired from other sources in fiscal year 1999.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

The essential air service program was originally created by the Airline Deregulation Act of 1978 as a temporary measure to continue air service to communities that had received federally mandated air service prior to deregulation. The program currently provides subsidies to air carriers serving small communities that meet certain criteria. Subsidies, ranging from \$5 to \$320, currently support air service to 82 communities and serve about 700,000 passengers annually. This program was established to provide a smooth phaseout of federal subsidies to airlines that serve small airports.

The Federal Aviation Reauthorization Act of 1996 (Public Law 104–264) authorized the collection of user fees for services provided by the Federal Aviation Administration to aircraft that neither take off from, nor land in the United States, commonly known as overflight fees.

Consistent with this legislation, this program became a mandatory program in fiscal year 1998.

General provision.—Over the years, Congress and the department have worked to streamline the essential air service program and to increase its efficiency by eliminating communities that are within an easy drive of a major hub airport or where the costs clearly outweigh the benefits. The bill includes a limitation (sec. 331), as requested by the administration, that continues the existing eligibility standards and will help preserve those efficiencies. Specifically, this limitation continues appropriations language that limits the number of communities that receive essential air service funding by excluding points in the 48 contiguous United States that are located fewer than seventy highway miles from the nearest large or medium hub airport, or that require a subsidy in excess of \$200 per passenger, unless such point is more than 210 miles from the nearest large or medium airport.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

	<i>Appropriation</i>	<i>Limitation on direct loans</i>
Appropriation, fiscal year 1998	\$1,900,000	(\$15,000,000)
Budget estimate, fiscal year 1999	1,900,000	(13,775,000)
Recommended in the bill	1,900,000	(13,775,000)
Bill compared to:		
Appropriation, fiscal year 1998		(– 1,225,000)
Budget estimate, fiscal year 1999		

The minority business resource center of the Office of Small Disadvantaged Business Utilization provides assistance in obtaining short-term working capital and bonding for disadvantaged, minority, and women-owned businesses. The program enables qualified businesses to obtain loans at prime interest rates for transportation-related projects.

Prior to fiscal year 1993, loans under this program were funded by the Office of Small and Disadvantaged Business Utilization without a limitation. Reflecting the changes made by the Credit Reform Act of 1990, beginning in fiscal year 1993, a separate appropriation was proposed in the President's budget only for the subsidy inherently assumed in those loans and the cost to administer the loan program.

The recommendation fully funds the budget request, which provides a limitation on direct loans of \$13,775,000 and subsidy and administrative costs totaling \$1,900,000.

MINORITY BUSINESS OUTREACH

Appropriation, fiscal year 1998	\$2,900,000
Budget estimate, fiscal year 1999	2,900,000
Recommended in the bill	2,900,000
Bill compared with:	
Appropriation, fiscal year 1998	
Budget estimate, fiscal year 1999	

This appropriation provides contractual support to assist minority business firms, entrepreneurs, and venture groups in securing contracts and subcontracts arising out of projects that involve Federal spending. It also provides grants and contract assistance that serves DOT-wide goals and not just OST purposes. The Committee has provided \$2,900,000, the same level as provided in fiscal year 1998 and included in the budget request.

AMTRAK REFORM COUNCIL

Appropriation, fiscal year 1998	\$2,450,000
Budget estimate, fiscal year 1999	
Recommended in the bill	450,000
Bill compared with:	
Appropriation, fiscal year 1998	-2,000,000
Budget estimate, fiscal year 1999	+450,000

The Amtrak Reform and Accountability Act of 1997 (P.L. 105-134) established the Amtrak Reform Council. This Act assigned the following tasks to the Council: (1) evaluate Amtrak's performance and make recommendations to Amtrak for achieving further cost containment, productivity improvements, and financial reforms; (2) monitor work-rule savings; and (3) develop an action plan for a "restructured and revitalized national intercity passenger rail system" if the Council determines, any time after December 1999, that Amtrak is not achieving its financial goals or that it would require an operating subsidy after December 2002.

The Committee has provided \$450,000 for the Amtrak Reform Council in fiscal year 1999. This funding coupled with \$80,000 provided under the Emergency Supplemental Appropriations Act of 1998 shall be sufficient for the Council to begin its review of Amtrak's financial condition. The Committee believes that the Council will work closely with the Department of Transportation's Inspector General (IG) to fulfill its duties. The IG has recently awarded a contract for an independent assessment of Amtrak's financial needs through the year 2002. This work will be completed in November 1999. Thereafter, the IG will be reassessing, on a yearly basis, Amtrak's financial needs. Therefore, much of the information the Council will need to evaluate Amtrak's financial performance and to make its recommendations should be available from the IG.

COAST GUARD

SUMMARY OF FISCAL YEAR 1999 PROGRAM

The Coast Guard, as it is known today, was established on January 28, 1915, through the merger of the Revenue Cutter Service and the Lifesaving Service. This was followed by transfers to the Coast Guard of the United States Lighthouse Service in 1939 and the Bureau of Marine Inspection and Navigation in 1942. The Coast Guard has as its primary responsibilities enforcing all applicable federal laws on the high seas and waters subject to the jurisdiction of the United States; promoting safety of life and property at sea; aiding navigation; protecting the marine environment; and maintaining a state of readiness to function as a specialized service of the Navy in time of war.

Including funds for national security activities and retired pay accounts, the Committee recommends a total program level of \$3,887,000,000 for activities of the Coast Guard in fiscal year 1999. This is \$29,446,000 less than the fiscal year 1998 program level—essentially a hard freeze.

The following table summarizes the fiscal year 1998 program levels, the fiscal year 1999 program requests, and the Committee's recommendations:

Program	Fiscal year—		Committee recommended
	1998 enacted	1999 estimate	
Operating expenses ^{1 2}	\$2,715,400,000	\$2,771,705,000	\$2,700,000,000
Acquisition, construction and improvements ³	388,850,000	442,773,000	389,000,000
Environmental compliance and restoration	21,000,000	21,000,000	21,000,000
Alteration of bridges	17,000,000		12,000,000
Retired pay ⁴	653,196,000	684,000,000	684,000,000
Reserve training	67,000,000	67,000,000	69,000,000
Research, development, test and evaluation	19,000,000	18,300,000	12,000,000
Boat safety ⁵	35,000,000		
Total	3,916,446,000	4,004,778,000	3,887,000,000

¹ Fiscal year 1998 amount includes \$300,000,000 specifically for defense-related activities and scored against budget function 050 (defense); fiscal year 1999 estimated amount includes \$309,000,000 (and the recommendation includes \$300,000,000) specifically for national security activities of the Coast Guard and scored against budget function 050 (defense).

² Fiscal year 1998 total includes \$1,600,000 in supplemental appropriations from Public Law 105-18 related to TWA 800 disaster recovery expenses and excludes reductions of \$529,000 for TASC.

³ Fiscal year 1999 estimated amount includes \$35,000,000 in new user fees.

⁴ Fiscal year 1998 total includes \$9,200,000 provided in supplemental appropriations from Public Law 105-18.

⁵ Fiscal year 1999 estimate includes \$35,000,000 proposed in mandatory spending.

COUNTER-DRUG INITIATIVE

The Committee believes that a much more aggressive effort is needed to fight the war on drugs, and that the current response of the administration is inadequate. The Coast Guard plays a critical role in defending the nation against the threat of illegal drugs, by patrolling maritime lanes of supply in the air and on the sea, and by interdicting drug smugglers in the transit zone. The Committee notes that the fiscal year 1999 budget request would provide essentially the same level of funding as provided in fiscal year 1998—a level which would, according to the Coast Guard, result in 14 percent less cocaine seized, and 25 percent less cutter hours, than experienced in fiscal year 1997. In a Subcommittee hearing this year, the Commandant of the Coast Guard described actions taken by the service in fiscal year 1997 to intensify their counter-drug activities:

Some of it . . . I took away from fisheries, to demonstrate that we could get a lot of bang for the buck with this investment, and I think our statistics demonstrated that. I think we had a 1,000 percent increase in some of our performance figures, 300 percent in others. We have seized more drugs than we ever seized before. I feel we had a dramatic impact on the welfare and safety of the people of Puerto Rico and the Virgin Islands, as an example. I actually honestly believed that this year would be the second year, and I would be funded, and the administration would ask for me to continue those programs, and I wasn't. And so I am disappointed in that . . .

The Committee wants to see *more* illegal drugs seized, not less, and is willing to rearrange service priorities to make it happen. Therefore, the bill provides an increase, above the budget request, of \$73,800,000 for Coast Guard counter-drug activities. This raises operations funding for counter-drug activities to \$406,091,000 in fiscal year 1999, an increase of \$33,800,000 (9.1 percent) above the fiscal year 1998 level. The bill also includes an additional \$40,000,000 in AC&I for high-priority counter-drug acquisitions. These items and activities are listed below.

Operating expense increases.—The increase of \$33,800,000 is intended for the following items and activities:

Increase HH-65 patrol hours	\$2,100,000
Increase C-130 patrol hours	830,000
Increase WPB patrol hours	7,478,000
Increase international law enforcement training	1,100,000
PC-170 O&M	2,885,000
Reactivate 2 T-AGOS vessels	6,166,000
Maintain 7 WPBs in fleet	4,508,000
Drug detection sensors	1,000,000
Activate 3 HU-25 falcon jets	4,607,000
Increase intelligence collection support	948,000
Caribbean support tender	2,178,000
Total	33,800,000

Acquisition, construction, and improvements (AC&I) increases.—The increase of \$40,000,000 is intended for the following items and activities:

Reactivate 2 T-AGOS vessels	\$9,900,000
HU-25 jet engine overhaul	9,100,000
Sensors, cutter or jet	9,000,000
Low signature aircraft	2,000,000
Barracuda coastal patrol boats	10,000,000
Total	40,000,000

Given the tight discretionary caps this year, the Committee is unable to provide resources above the overall Coast Guard budget request without unacceptably harming the programs of other DOT agencies. Furthermore, the Committee believes these resources can be accommodated through a reprioritization of existing missions and programs, much as they were in fiscal year 1997. Therefore, the counter-drug operating activities are offset by reductions in two areas: fisheries enforcement (–\$13.8 million) and polar icebreaking (–\$20 million). Several lower-priority capital programs have been likewise reduced to accommodate the stronger focus on counter-drug activities. This reflects the Committee's view that counter-drug operations should receive a higher priority relative to other mission areas.

The Commandant testified this year “in my personal opinion, drug law enforcement has a higher national security priority than fisheries enforcement”. Therefore, it seems inconsistent that the administration's request would allocate 17 percent of the Coast Guard operating budget to fisheries enforcement and 13 percent to drug interdiction. In total, the budget requests \$115,775,000 more for fisheries law enforcement than for drug interdiction. The Committee recommendation redirects 4 percent of the fisheries budget, and

reduces polar icebreaking significantly, to fund increased counter-drug activities. In fiscal year 1997, the Coast Guard was only reimbursed 12 percent of their costs for the polar icebreaking program, even though the program provides benefits largely to non-DOT agencies and research institutions. In fiscal year 1999, the Coast Guard plans to commission a new polar icebreaker, which will add \$10,500,000 in operating costs—but only \$4,000,000 is expected to be reimbursed by users. In order to finance the increased effort in the war on drugs, the Committee recommendation reduces direct Coast Guard funding for polar icebreaking from \$36,971,000 to \$16,971,000, and assumes that the service can maintain current service levels to the extent that the primary beneficiaries of the program agree to pay those costs on a reimbursable basis.

OPERATING EXPENSES

Appropriation, fiscal year 1998 ¹	\$2,715,400,000
Budget estimate, fiscal year 1999 ²	2,771,705,000
Recommended in the bill ¹	2,700,000,000
Bill compared with:	
Appropriation, fiscal year 1998	– 15,400,000
Budget estimate, fiscal year 1999	– 71,705,000

¹Includes \$300,000,000 in funds for national security activities included in this bill and excludes reductions of \$529,000 for TASC.

²Includes \$309,000,000 in funds for national security activities included in this bill.

Including \$300,000,000 for national security activities, the Committee recommends a total of \$2,700,000,000 for operating activities of the Coast Guard in fiscal year 1999, a decrease of \$15,400,000 (less than one percent) below the fiscal year 1998 appropriation and \$71,705,000 (2.6 percent) below the budget request. The following table compares the fiscal year 1998 enacted level, the fiscal year 1999 estimate, and the recommended level by program, project and activity:

[In thousands of dollars]

Budget activity	Fiscal year—		
	1998 enacted	1999 estimate	1999 recommended
I. Personnel Resources	\$1,702,298	\$1,762,471	\$1,728,260
A. Military pay & allowances	1,246,767	1,292,406	1,261,110
B. Civilian pay & benefits	191,311	200,388	200,388
C. Military health care	119,401	123,836	123,836
D. Permanent change of station	60,215	63,523	62,153
E. Training and education ¹	67,200	65,012	65,012
F. Recruiting	6,313	6,158	5,613
G. FECA/UCX	11,091	11,148	11,148
H. Headquarters staffing			– 1,000
II. Operating Funds and Unit Level Maintenance	617,467	619,593	618,145
A. Atlantic area command	114,009	109,563	109,563
B. Pacific area command	119,605	123,128	123,128
C. District commands			
1. 1st district (Boston)	37,711	36,831	36,831
2. 7th district (Miami)	46,400	47,532	47,532
3. 8th district (New Orleans)	29,894	30,044	30,044
4. 9th district (Cleveland)	18,205	18,583	18,583
5. 13th district (Seattle)	13,749	13,887	13,887
6. 14th district (Honolulu)	9,838	10,655	10,655
7. 17th district (Juneau)	20,693	10,805	10,805
D. Headquarters offices	154,588	157,407	157,407
E. Headquarters-managed units	45,216	44,563	43,115
F. Other activities ²	7,559	7,595	7,595
III. Intermediate and Depot-Level Maintenance	395,106	389,641	389,641

[In thousands of dollars]

Budget activity	Fiscal year—		
	1998 enacted	1999 estimate	1999 recommended
A. Aircraft maintenance	154,261	152,391	152,391
B. Electronic maintenance	35,362	32,834	32,834
C. Shore maintenance	104,116	101,479	101,479
D. Vessel maintenance	101,367	102,937	102,937
IV. Account-wide Adjustments			— 36,046
A. New DOT initiatives			— 498
B. Non-pay inflation			— 10,000
C. Non-operational travel			— 2,500
D. Advisory/assistance services			— 2,000
E. Capitalizable projects			— 8,000
F. User fee/reimbursable program			— 3,500
G. WLB PCAF			— 548
H. Defense OPTEMPO			— 9,000
Total appropriation	³ 2,714,871	2,771,705	2,700,000
Unobligated balance available	1,048		
Offsetting collections (cash)	111,798	113,306	113,306
Total budget authority available	2,827,717	2,885,011	2,813,306

¹ Includes operating funds for Coast Guard Academy and Training Centers as well as general funds for professional training and education.² Includes ammunition and small arms (AFC 54) and Chief of Staff funds (AFC 40).³ Includes reduction of \$529,000 to appropriated level.

COMMITTEE RECOMMENDATION

The recommended reduction from the budget estimate includes the following adjustments:

	<i>Amount</i>
Eliminate 79 new officer billets	— \$5,736,000
Do not restore slow hiring reduction of FY 1998	— 15,000,000
Hold PCS reassignment moves to FY 1997 level	— 1,370,000
Defer college fund recruiting initiative pending authorization	— 545,000
Reduce growth in military pay and allowances	— 10,000,000
Eliminate GSA rent increase at OSC Martinsburg	— 1,448,000
Eliminate new DOT initiatives	— 498,000
Selected reductions in headquarters staffing	— 1,000,000
Non-pay COLA adjustment	— 10,000,000
Non-operational travel	— 2,500,000
Advisory and assistance services	— 2,000,000
Capitalizable projects (transfer to AC&I)	— 8,000,000
Raise fee rates for existing user fees and reimbursements	— 3,500,000
WLB primary crew assembly facility (transfer to AC&I)	— 548,000
Eliminate seven overseas liaison billets	— 560,000
Reduced OPTEMPO for national defense activities (050 reduction)	— 9,000,000
Total	— 71,705,000

COUNTER-DRUG INITIATIVE

The Committee recommends \$406,091,000 for operating expenses of the Coast Guard dedicated to counter-drug operations. This is \$39,963,000 (10.9 percent) above the fiscal year 1998 estimated level and \$33,800,000 (9.1 percent) above the budget estimate. As was discussed in an earlier section of this report, the Committee believes that an expanded Coast Guard role is needed in the drug interdiction area, even if it comes at the expense of lower priority mission areas. The Committee notes that the Coast Guard expanded its drug interdiction work significantly in fiscal year 1997 through the reprioritization of activities and missions, and the results were highly successful. Not only did the gross amount of

seized drugs go up, but the Coast Guard's efficiency statistics improved significantly also. By contrast, the President's budget for fiscal year 1999 would redirect those resources back into other activities, which would, according to the Coast Guard, result in a drop in counter-drug cutter operating hours of 25 percent and an estimated 14 percent drop in the amount of cocaine seized. The Committee believes these additional funds are critical to sustaining, and even improving upon, the successes achieved in fiscal year 1997. In addition, the bill increases by \$2,000,000 the Coast Guard Reserve appropriation, partially in recognition of the important work of the reserves in the drug interdiction arena. Specific activities funded with this increase are explained below.

Increase HH-65 and C-130 patrol hours.—These increases were originally requested by the Coast Guard, and certified by the Office of National Drug Control Policy, but not included in the President's budget. The Committee believes it important to increase surveillance patrol hours. (+\$2,930,000).

Patrol boat-related activities.—The Committee bill adds funds to increase the operational hours of patrol boats performing drug interdiction missions (+\$7,478,000), maintain seven patrol boats currently in service which would otherwise be decommissioned (+\$4,508,000), and take into the service, for the specific purpose of enhancing counter-drug operations, a PC-170 ("Cyclone" class) vessel currently under control of DOD's Special Operations Command. The Committee understands that the Coast Guard has been evaluating this vessel for such operations, and believes it has high utility for their drug interdiction activities. Hull fourteen is available and the bill assumes the Coast Guard will work out an arrangement with the DOD for the Coast Guard to operate and maintain this vessel specifically for counter-drug work.

Increase international law enforcement training.—This increase was originally requested by the Coast Guard, and certified by the Office of National Drug Control Policy, but not included in the President's budget. The Committee believes it important to increase such training. (+\$1,100,000).

Support vessels.—The Committee bill provides funds for the Coast Guard to reactivate two T-AGOS ocean surveillance vessels to serve as afloat command and control and support ships for other surface vessels in the Caribbean (and possibly Pacific) area of operations. This will free up other, large Coast Guard vessels (such as 378-foot and 270-foot cutters) for more effective counter-drug activities. The bill also provides an additional \$2,178,000 for the Caribbean support tender included in the budget request at a lower funding level. This vessel is designed to provide training support and other assistance to Caribbean nations which are often used as trans-shipment points for illegal drugs. For example, the Coast Guard has recently transferred to some of these nations decommissioned patrol boats. However, without training assistance, these small island nations are incapable of using the assets to their maximum effectiveness. The support tender will provide such assistance.

Activate HU-25 ("Falcon") jets.—The Committee bill provides \$4,607,000 for the Coast Guard to recommission three HU-25 jets which have been mothballed due to budget constraints. Additional

funds are included under AC&I for engine overhauls of these aircraft.

Drug detection sensors.—The bill includes \$1,000,000 for additional portable drug detection sensors. The Coast Guard currently has 50 such sensors and has found them extremely valuable in counter-drug operations. The bill would provide for the procurement of approximately 10 more of such systems. The Coast Guard should explore all available systems currently on the market, and procure those which best satisfy their requirements.

Intelligence support.—The bill provides an additional \$948,000 for the Coast Guard to increase its intelligence collection efforts related to counter-drug operations.

Activities Guyaquil and Esmeraldas, Ecuador.—Of the funds provided in this account, \$500,000 is specifically to augment and build up Coast Guard and port control activities in Guyaquil and Esmeraldas, Ecuador.

PERSONNEL RESOURCES

The bill includes \$1,728,260,000 for pay and allowances of Coast Guard military and civilian personnel, a reduction of \$34,211,000 from the budget estimate and \$25,962,000 (2.1 percent) above the fiscal year 1998 enacted level. Within the amount provided, the bill includes all funds requested for special pays for military personnel.

Eliminate 79 new officer billets.—Given the high officer-to-enlisted ratio in the Coast Guard relative to the other military services, the Committee does not accept the need to expand the officer corps, as requested in the budget. The Committee recommendation eliminates the additional 79 officer billets, resulting in a reduction of \$5,736,000.

Restoration of FTE savings from fiscal year 1998.—The Committee recommendation deletes the requested restoration of \$15,000,000 from staffyear reductions made in fiscal year 1998. The Committee is not convinced, after reviewing actual and projected recruiting data, that the service will be able to meet its recruiting target, given the strong national economy. Therefore, these savings are maintained in the fiscal year 1999 bill.

College fund recruiting initiative.—The Committee recommendation deletes the new college fund recruiting initiative pending Congressional authorization and stronger program justification. This results in a savings of \$545,000.

Reductions in headquarters staffing.—The recommendation assumes reductions in certain headquarters offices, based on a review of current staffing levels. These offices include the office of the commandant and vice commandant, public affairs, Congressional affairs, general counsel, and the office of bridge administration. These five offices are budgeted for a total of 191 positions in fiscal year 1999. The reduction of \$1,000,000 would require the elimination of approximately 12 of these positions, or six percent. The Coast Guard should review the staffing in these offices and decide which low priority positions should be eliminated.

PCS reassignment moves.—The bill holds funding for permanent change of station (PCS) reassignment moves to the fiscal year 1997 level of \$9,761,000, a reduction of \$1,370,000 from the budget estimate. Given downsizing, streamlining, and other personnel reduc-

tions in the bill, the Committee believes the service will be able to manage a slightly lower level of accessions and reassignments. This does not affect funding for other PCS move categories.

Elimination of seven overseas billets.—The Committee believes the Coast Guard should eliminate seven overseas liaison positions, given the high cost of maintaining staff overseas and overall budget constraints. These positions are as follows:

- Royal Australian Navy liaison (Australia) (1)
- Maritime Liaison Commander, Middle East Forces (Bahrain) (2)
- Royal Canadian Air Force liaison (Canada) (2)
- International Maritime Organization liaison (Curacao) (1)
- Harbor Defense liaison (Korea) (1)

This results in a reduction to the budget estimate of \$560,000.

Additional reduction.—The Committee recommends an additional reduction of \$10,000,000 to military pay and benefits to bring the overall amount provided to \$1,261,110,000, a 1.2 percent increase over fiscal year 1998. The reduction is due to budget constraints. The Committee also acknowledges the increase in cost per FTE staffyear in fiscal year 1998, and assumes that the Coast Guard will be able to manage its personnel budget at a slightly lower cost per FTE during fiscal year 1999 than assumed in the President's budget request.

OPERATING FUNDS AND UNIT LEVEL MAINTENANCE

The bill includes \$618,145,000 for Coast Guard non-personnel operating funds for field and headquarters facilities and units as well as unit-level maintenance. This is \$1,448,000 (0.2 percent) below the administration's request and \$678,000 (0.1 percent) above the level provided for fiscal year 1998.

Ballast water management program.—Of the funds provided in this appropriation, \$3,000,000 shall be allocated to implement the nationwide ballast water management program, as authorized in the National Invasive Species Act of 1996 (Public Law 104-332).

Mackinaw.—The bill includes the \$6,291,000 in requested funding for continued operation and maintenance of the icebreaking cutter Mackinaw during fiscal year 1999. This is 12.1 percent above the \$5,609,000 estimated for fiscal year 1998.

GSA rent increase, operations support center.—The bill does not include the requested increase of \$1,448,000 for additional GSA rental costs at the Coast Guard Operational Support Center in Martinsburg, West Virginia. The service has not adequately explained whether such large-scale consolidation of support activities has been determined to be cost-beneficial at this particular location.

Frying Pan Shoals lighthouse.—The Committee recognizes that the Frying Pan Shoals Lighthouse, operated by the U.S. Coast Guard off the coast of North Carolina, can be a valuable asset to marine science and to the short- and long-term monitoring of critical oceanographic, meteorological, and biological research in the coastal waters of the southeastern United States. The Committee urges that the use of this facility be provided to the University of North Carolina at Wilmington for these purposes.

Marine safety detachment.—The Committee is concerned about the Coast Guard's planned closure of the marine safety detachment in Concord, California and its impact on the protection of the local marine environment from significant oil and chemical traffic and on timely and efficient response to oil and chemical accidents in the sensitive and busy waterways of the Carquinez Strait and other Bay and Delta waterways. The Committee directs that the Coast Guard shall not obligate any funds to begin the closure or termination of this unit until: (1) the Coast Guard enters into discussions with Contra Costa County officials concerning the impact of the closure; (2) the Coast Guard submits a report to the House and Senate Committees on Appropriations that explains how the Coast Guard will assure the timely and efficient response to oil and chemical accidents in the area and continue to perform other critical oversight functions concerning oil and chemical traffic in these waterways; and (3) the Committees have had thirty legislative days to review the Coast Guard report.

DEPOT LEVEL MAINTENANCE

The Committee recommends \$389,641,000 for depot level maintenance for shore facilities, electronic equipment, cutters, boats and aircraft, the same as the budget estimate and \$5,465,000 (1.4 percent) below the enacted level for fiscal year 1998.

ACCOUNT-WIDE ADJUSTMENTS

The Committee recommends \$36,046,000 in account-wide adjustments, which are explained more fully below.

Departmental initiatives.—The bill does not include funds for new departmental initiatives including the electronic grants pilot project, acquisition training, and GSA common space rent, due to lack of justification. This is similar to recommendations made in other parts of the bill, and results in a savings of \$498,000.

Non-pay inflation adjustment.—The Committee recommendation provides the Coast Guard with the same non-salary inflation adjustment provided to other agencies within DOT. The President's budget requested an increase of 1.7 percent compared to 0.9 percent for other agencies. This results in a reduction of \$10,000,000.

Non-operational travel.—Notwithstanding Congressional reductions in fiscal year 1997 which were designed to contain the travel budget, the Coast Guard testified this year that "despite these actions, it does not appear that non-operational travel was reduced". The Committee reiterates that these travel costs should be going down, not up, and recommends a reduction of \$2,500,000.

Advisory and assistance services.—The recommended reduction of \$2,000,000 is due to budget constraints and lack of justification. The recommended level is \$9,779,000, which compares to \$11,779,000 in the budget estimate and \$4,151,000 experienced for fiscal year 1997. A similar reduction has been made in the FAA's operating account.

Capitalizable projects.—The Committee recommendation reflects a recent report of the Office of Inspector General, which concluded that many Coast Guard construction projects were improperly using operating expenses (OE) funds instead of acquisition, con-

struction, and improvement (AC&I) funds. The recommendation transfers \$8,000,000 to the AC&I appropriation to more appropriately reflect the nature of the work being performed.

Fee rates for existing user fees.—While the Committee does not support the imposition of new user fees for Coast Guard services, Coast Guard documents indicate that the service is not charging enough in its existing fees to recover the direct cost of providing the service. The Committee believes that when a decision is made to charge fees, it is reasonable for the agency to recover the full cost of providing the service. The recommendation assumes the Coast Guard will raise existing fee rates by approximately 15 percent, to cover a larger percentage of total cost. This results in a reduction to the budget estimate of \$3,500,000.

WLB primary crew assembly facility.—The recommendation transfers \$548,000 from “Operating expenses” to “Acquisition, construction, and improvements” to more appropriately reflect the nature of the work being performed. The Coast Guard advised the Committee that an error had been made in preparation of the budget, and that this facility should be funded in the AC&I appropriation.

Reduced operating tempo for national security activities (050 reduction).—The Committee recommendation provides \$300,000,000 for national security activities of the Coast Guard, which are scored under budget function 050 (national defense). This is the same amount as enacted for fiscal year 1998, and a reduction of \$9,000,000 from the budget estimate. The Coast Guard has not adequately explained what additional defense activities would be performed with their requested increase, and in any event the Committee’s allocation under budget function 050 is limited to the level provided for fiscal year 1998. The Committee assumes the Coast Guard will make a slight adjustment in the operating tempo for defense activities to live within this funding level.

BILL LANGUAGE

Defense-related activities.—The bill specifies that \$300,000,000 of the total amount provided is for defense-related activities, the same as enacted for fiscal year 1998, but \$9,000,000 below the budget estimate.

Executive order 12839.—The bill specifies that the Commandant shall reduce both military and civilian employment for the purpose of complying with executive order 12839. This provision has been included in the bill for several years without change.

User fees.—The Committee does not approve the proposed bill language which would allow the Commandant to promulgate virtually any new maritime user fee, circumventing the normal process by Congressional direction, and credit those fees to the capital account. First, the fee proposal is so weakly justified that the Committee has been unable to give the proposal serious consideration. For example, when the Committee questioned the Commandant this year about the proposal, he stated “we just started our study . . . we are not in it deeply enough to know that that is proper to do”. When asked how the Coast Guard arrived at the specific request of \$35,000,000 in new fees, the Commandant said “I have no idea how they did that”.

The Congressional Budget Office is so skeptical, they are unwilling to assume the collection of any such receipts next year, despite the proposed language. Clearly, with so little information, these fees—and the appropriations to be financed with them—are unsustainable.

The Committee is concerned that, despite the lack of justification, the Coast Guard believes it has the authority to promulgate these fees under the general authority of the User Fee Statute. Therefore, the bill includes a provision which precludes the Coast Guard from using funds to plan, finalize, or implement any new user fees unless legislation signed into law after the date of enactment of this Act specifically authorizes them.

GENERAL PROVISIONS

Vessel traffic safety fairway, Santa Barbara/San Francisco.—The bill continues as a general provision (sec. 312) language that would prohibit funds to plan, finalize, or implement regulations that would establish a vessel traffic safety fairway less than five miles wide between the Santa Barbara traffic separation scheme and the San Francisco traffic separation scheme. On April 27, 1989, the Department published a notice of proposed rulemaking that would narrow the originally proposed five-mile-wide fairway to two one-mile-wide fairways separated by a two-mile-wide area where offshore oil rigs could be built if Lease Sale 119 goes forward. Under this revised proposal, vessels would be routed in close proximity to oil rigs because the two-mile-wide non-fairway corridor could contain drilling rigs at the edge of the fairways. The Committee is concerned that this rule, if implemented, could increase the threat of offshore oil accidents off the California coast. Accordingly, the bill continues the language prohibiting the implementation of this regulation.

Blue-ribbon panel on the future of the Coast Guard.—The Committee is very concerned about the Coast Guard's ability to address all of its missions adequately in future years, given budget constraints and the effect of surface transportation firewalls. Although the service has performed admirably over the past four years in reforming and reorganizing itself into a more efficient organization, it is possible that there will still be insufficient funding over the next ten years to enable the Coast Guard to maintain today's level of service. The Coast Guard's operating budget has been flat for the past several years, and block obsolescence of major capital assets is approaching. Last year, the Commandant advised the Subcommittee that the Coast Guard would soon require a capital appropriation of \$1,000,000,000 per year for ten years. Today, the Coast Guard's capital budget is approximately \$400,000,000.

To address these concerns, the Committee bill includes \$1,000,000 specifically for establishment of a blue-ribbon panel to study the future capital needs, roles, and missions of the Coast Guard. This panel should be coordinated through the auspices of the office of the secretary of transportation, and should include the current Commandant of the Coast Guard, former commandants, and representatives of the U.S. General Accounting Office, the DOT Office of Inspector General and appropriate maritime organizations. The study should address and make recommendations on

the best roles and missions for the Coast Guard over the next twenty years, and the capital budget requirements to meet those needs, considering likely budget constraints over that period. The Committee intends that this take the place of the currently-planned Presidential Advisory Council, which would study Coast Guard roles and missions, but at a much higher cost. The study should be submitted to the Congress not later than January 2001.

Animal fats and vegetable oils.—The Committee bill includes a general provision (sec. 340) which requires the Secretary of Transportation, not later than March 31, 1999, to promulgate a regulation consistent with the Edible Oil Regulatory Reform Act (Public Law 104–55), enacted on November 20, 1995, to specifically address facilities which handle animal fats and vegetable oils by amending 33 C.F.R. part 154, which relates to response plans for marine transportation-related facilities. To be consistent, a rule for animal fats and vegetable oils should include, at a minimum, separate definitions, a separate category from other oils, and provide requirements that are specific to and appropriate for animal fats and vegetable oils. On March 14, 1997, the animal fats and vegetable oils industry submitted to the Coast Guard a proposal consistent with these requirements.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

Appropriation, fiscal year 1998	\$388,850,000
Budget estimate, fiscal year 1999 ¹	442,773,000
Recommended in the bill	389,000,000
Bill compared with:	
Appropriation, fiscal year 1998	+150,000
Budget estimate, fiscal year 1999	– 53,773,000

¹ Includes \$35,000,000 to be derived from new user fees.

The bill includes \$389,000,000 for the capital acquisition, construction, and improvement programs of the Coast Guard for vessels, aircraft, other equipment, shore facilities, and related administrative expenses, of which \$20,000,000 is to be derived from the oil spill liability trust fund.

Consistent with past practice, the bill also includes language distributing the total appropriation by budget activity and providing separate obligation availabilities appropriate for the type of activity being performed. The Committee continues to believe that these obligation availabilities provide fiscal discipline and reduce long-term unobligated balances.

COMMITTEE RECOMMENDATION

The following table compares the fiscal year 1998 enacted level, the fiscal year 1999 estimate, and the recommended level by program, project and activity:

Acquisition, Construction, and Improvements
Fiscal Year 1999

Program Name	FY 1998 Enacted	FY 1999 Estimate	FY 1999 House
Vessels:	212,100,000	269,573,000	227,913,000
Survey and design - cutters and boats	500,000	500,000	500,000
Seagoing buoy tender (WLB) replacement	41,000,000	105,000,000	81,790,000
Coastal buoy tender (WLM) replacement	21,000,000	31,000,000	27,000,000
47-foot motor lifeboat (MLB) replacement project	31,600,000	20,800,000	20,800,000
Buoy boat replacement project (BUSL)	12,000,000	11,773,000	7,073,000
Polar icebreaker replacement follow-on	3,500,000	2,100,000	2,100,000
Configuration management	3,800,000	3,800,000	3,800,000
Surface search radar replacement project	15,400,000	12,900,000	8,450,000
Polar class icebreaker reliability improvement program	5,300,000	6,100,000	0
Barracuda coastal patrol boat (CPB)	63,000,000	37,600,000	47,600,000
Mackinaw replacement	2,000,000	0	6,000,000
Deepwater capability concept exploration	3,000,000	28,000,000	20,000,000
Reprogramming (FY 1996 IMARV funds)	[2,000,000]	0	0
ATS-1 conversion	10,000,000	10,000,000	2,000,000
Reactivate 2 T-AGOS vessels	0	0	9,900,000
Unobligated balance transfer	0	0	-9,100,000
Aircraft:	25,800,000	37,131,000	39,400,000
Traffic alert & collision avoidance system (TCAS)	3,300,000	0	0
Global positioning system installation	1,900,000	0	0
HC-130 engine conversion	4,100,000	9,941,000	4,100,000
HH-65A helicopter kapton rewiring	3,200,000	4,500,000	4,500,000
HH-65A helicopter mission computer replacement	4,400,000	3,000,000	3,000,000
Long range search aircraft capability preservation	4,100,000	1,590,000	0
HC-130 aircraft sensor upgrade	4,800,000	11,000,000	11,000,000
Reprogramming (FY 1996 C-130 SLAR funds)	[2,000,000]	0	0
HU-25 SLAR radar upgrade	0	2,500,000	2,500,000
HU-25 A avionics improvements	0	3,500,000	3,500,000
HH-60J navigation upgrade	0	1,100,000	1,100,000
HU-25 engine overhaul	0	0	9,100,000
Low signature aircraft	0	0	2,000,000
Unobligated balance transfer (TCAS)	0	0	-1,400,000
Other Equipment:	44,650,000	33,969,000	30,314,000
Fleet logistics system	8,200,000	4,669,000	4,669,000
Ports and waterways safety system (PAWSS)	5,500,000	6,800,000	6,800,000
Marine information for safety and law enforcement (MISLE)	4,000,000	6,100,000	4,100,000
Conversion of software applications	2,000,000	0	0
Aviation logistics management information system (ALMIS)	2,700,000	1,000,000	0
National distress system modernization	5,000,000	3,000,000	3,000,000
Communication systems 2000	1,000,000	2,000,000	2,000,000
Personnel MIS/Jt uniform military pay system	1,600,000	1,900,000	1,900,000
VHF-FM high level site upgrade	7,400,000	0	0
Local notice to mariners automation	750,000	1,300,000	1,300,000

Acquisition, Construction, and Improvements
Fiscal Year 1999

Program Name	FY 1998 Enacted	FY 1999 Estimate	FY 1999 House
Frequency spectrum reallocation	4,100,000	0	0
Defense message system implementation	1,400,000	800,000	800,000
Differential GPS phase II (coastal gaps)	1,000,000	2,600,000	0
Commercial satellite communications	0	4,000,000	4,000,000
Drug interdiction sensors, cutter or aircraft	0	0	9,000,000
Unobligated balance transfer	0	0	-7,055,000
Shore Facilities and Aids to Navigation:	68,300,000	63,650,000	42,923,000
Survey and design - shore projects	5,000,000	5,000,000	5,000,000
Minor AC&I shore construction projects	7,000,000	6,000,000	6,000,000
Public family quarters	14,900,000	18,600,000	2,300,000
Waterways ATON projects	5,000,000	5,000,000	4,073,000
Station Bellingham, WA - relocation	4,000,000	0	0
Group Woods Hole, MA - waterfront renovation	2,900,000	0	0
Group/Station New Orleans, LA - relocation	8,400,000	0	4,000,000
Base Ketchikan, AK - replace breakwater	1,600,000	0	0
Bayonne, NJ - construct pier	4,100,000	0	0
ISC Portsmouth, VA - command & control engineering center	4,700,000	0	0
New London, CT - leadership development center	4,300,000	0	0
Reprogramming (FY 1998 Wadsworth, NY funds)	[1,800,000]	0	0
ISC Kodiak - hanger renovation	4,000,000	0	0
Ground wave emergency network (GWEN)/DGPS	2,400,000	0	0
Air Station Cape Cod, MA-replace electric distribution system	0	1,500,000	1,500,000
Air Station Miami, FL-renovate fixed wing hanger	0	7,100,000	3,600,000
ISC Boston, MA-waterfront rehabilitation	0	2,100,000	2,100,000
Station Oswego-47' MLB improvements	0	1,450,000	1,450,000
Station Neah Bay-waterfront renovation	0	3,000,000	3,000,000
Station Cape Disappointment-47' MLB improvements	0	1,700,000	1,700,000
Coast Guard training infrastructure-optimize	0	2,200,000	2,200,000
Capitalizable projects	0	0	8,000,000
Asset sales	0	0	-2,000,000
Personnel and Related Support:	47,000,000	48,450,000	48,450,000
Direct personnel costs	46,500,000	47,700,000	47,700,000
Core acquisition costs	500,000	750,000	750,000
Total gross appropriation	397,850,000	442,773,000	389,000,000
Offsetting collections from asset sales	9,000,000	1,000,000	3,000,000
User fees applied to this appropriation	0	[35,000,000]	[0]
Unobligated balance available	195,614,000	187,614,000	189,132,000
Total budgetary resources available for obligation	602,464,000	631,387,000	561,312,000

VESSELS

The Committee recommends \$227,913,000 for vessels, a reduction of \$15,813,000 below the amount provided for fiscal year 1998 and \$41,660,000 below the administration's request. Specific adjustments to the budget estimate are explained below.

Seagoing buoy tender (WLB) replacement.—The Committee recommends \$81,790,000 for this program, instead of \$105,000,000 included in the budget estimate. Funding of \$41,000,000 was provided for this program in fiscal year 1998. The recommendation transfers \$548,000 from "Operating expenses" for the primary crew assembly facility and deletes the \$1,500,000 for each of the first three vessels of this class. It is not clear to the Committee why additional acquisition funding is needed, since these vessels are fully operational. The additional reduction is due to budget constraints. The Committee expects the Coast Guard to provide the Committee with updated information on the cost profile for the vessels to be acquired under the full production contract prior to conference deliberations on this bill.

Coastal buoy tender (WLM) replacement.—The Committee recommends \$27,000,000 for the coastal buoy tender program, a reduction of \$4,000,000 below the budget estimate. The reduction is due to budget constraints.

Buoy boat, stern loading (BUSL).—The Committee recommends \$7,073,000 for this project, a reduction of \$4,700,000 below the budget estimate. The reduction is due to budget constraints.

Surface search radar.—The Coast Guard budget includes \$12,900,000 for this project in fiscal year 1999 and projects \$4,000,000 in the year 2000. The Committee believes it more appropriate to phase this acquisition more smoothly over the two remaining years of the program. The Committee's recommended funding level of \$8,450,000 would eliminate the funding "spike" represented by the President's budget estimate. This results in a reduction of \$4,450,000 from the budget estimate.

Polar class icebreaker reliability improvement project.—According to the Coast Guard, this project is approximately six years behind its original schedule. Given the schedule slip, the apparently low priority of the program within the Coast Guard, and the Committee recommendation to reduce operating funds for the polar icebreaker class, the Committee recommends that this project be ended. This will save approximately \$25,000,000 in future fiscal years, which can be applied to other, higher priority projects. This results in a fiscal year 1999 savings of \$6,100,000.

Coastal patrol boat.—The Committee recommends \$47,600,000 for the "Barracuda" class coastal patrol boat. This compares to \$63,000,000 enacted in fiscal year 1998 and \$37,600,000 in the budget estimate. The additional \$10,000,000 is part of the Committee's counter-drug initiative, as explained in a previous section of this report.

Mackinaw replacement.—The recommendation includes \$6,000,000 to continue design work for a replacement for the icebreaking cutter "Mackinaw". Funding of \$2,000,000 was provided in fiscal year 1998. Although the President's budget included no funding to continue this work in fiscal year 1999, the Committee

believes it is critical to keep this work going, to ensure that a replacement vessel is developed as soon as practicable. The Committee fully expects the conceptual design phase of this project to be completed by the end of fiscal year 1999, so that design and construction contracts can be awarded the following year. Moreover, the Committee expects the Coast Guard to issue a report to the House and Senate Committees on Appropriations on the status of this project, including the recommended replacement alternative and fleet mix (with supporting data), as well as an update on the design process, no later than January 1, 1999.

Deepwater capability concept exploration.—The Committee recommends \$20,000,000 for this program, an increase of 300 percent above the \$5,000,000 provided for fiscal year 1998, and a reduction of \$8,000,000 below the budget estimate. A comparison of the Committee's allowance and the budget estimate is as follows:

Activity	Budget estimate	Committee allowance	Reduction
Project resident office	\$1,500,000	\$1,000,000	—\$500,000
Contract studies	18,000,000	15,000,000	—3,000,000
Independent studies	8,500,000	4,000,000	—4,500,000
Total	28,000,000	20,000,000	—8,000,000

ATS-1 conversion.—The Committee recommends \$2,000,000 to continue conversion of the former U.S. Navy ship “Edenton” to a Coast Guard fisheries enforcement cutter. This is due to overall budget constraints and the Committee decision to elevate counter-drug acquisition activities to a higher priority than fisheries enforcement. The budget estimate included \$10,000,000 for this project.

Reactivation of 2 T-AGOS vessels.—The recommendation includes \$9,900,000 to reactivate 2 former Navy T-AGOS ocean surveillance vessels, as part of the Committee's counter-drug initiative. Consistent with Coast Guard concept papers, at least one of these vessels could serve as a base ship for patrol boats and other relatively small assets performing counter-drug activities in the Caribbean area of operations, thereby increasing the endurance and effectiveness of those assets.

Unobligated balance transfer.—The Committee recommends a general reduction of \$9,100,000 which should be addressed by transferring unobligated balances from the following program:

Project	Fiscal year 1997 funds	Fiscal year 1998 funds
Polar icebreaker RIP	—\$3,800,000	—\$5,300,000

AIRCRAFT

The Committee recommends \$39,400,000 for aircraft, an increase of \$13,600,000 (52.7 percent) above the fiscal year 1998 enacted level and \$2,269,000 above the administration's request.

HC-130 engine conversion.—The Coast Guard budget proposes a large increase in this program, from \$4,100,000 to \$9,900,000. The Committee notes that some AC&I programs must be reduced, since the level of the budget submission assumed collection of

\$35,000,000 in new user fees which are unlikely to be implemented. The Committee believes this program can proceed at the fiscal year 1998 pace without serious impact.

HH-65 helicopter.—The Committee understands that there are power availability, weight considerations, space constraints and safety margin issues with the HH-65 helicopters that need to be addressed before equipment and capability can be added to this already weight critical aircraft. The Committee requests the Coast Guard provide a description of the limitations with relevant measures of how frequently power limitations restrict the HH-65 below original Coast Guard requirements and the impact of such limitations. The Committee further requests an outline of a plan and its costs to restore needed power margins while accommodating past and future weight growth. This report is request by March 1, 1999.

Long range search aircraft capability preservation.—According to the Coast Guard, this project involves studies to sustain the existing capability of the C-130 aircraft, including electrical systems and avionics. The product of the work is expected to result in the design of modification kits costing in the range of \$200,000. The Committee believes this work could easily and appropriately be conducted under the Coast Guard's operating appropriation, and not AC&I. In addition, the project has been poorly justified, and outyear costs are not defined. The Committee recommends no AC&I funds for this project, but the Coast Guard may use existing OE funds under the aircraft modification budget through reprioritization of planned work. This results in a reduction of \$1,590,000 from the budget request.

HU-25 engine overhaul.—The recommendation includes \$9,100,000 to conduct engine overhauls of mothballed HU-25 ("Falcon") jet aircraft, as part of the Committee's counter-drug initiative. According to the Coast Guard, maritime patrol surveillance is their greatest need in the counter-drug area. The Coast Guard is familiar with these aircraft and have existing inventories of spare parts. However, some work is required on the engines to bring the aircraft back into service.

Low signature aircraft.—The Coast Guard operational community has indicated a need for additional night-capable, low-signature ("stealthy") aircraft capability. Although the RU-38A aircraft are now coming into service, upgrades are necessary for them to be more effective at fighting the drug war. In addition, the Coast Guard has expressed interest in high technology, low signature rotorcraft technology which could have an impact on counter-drug operations. The Committee recommendation includes \$2,000,000 for the Coast Guard to pursue modifications or acquisitions in this area, with the specific objective of complementing other counter-drug assets by providing covert surveillance capability.

Unobligated balance transfer.—The Committee recommends a general reduction of \$1,400,000 which should be addressed by transferring \$1,400,000 in unobligated balances from the terminal collision avoidance system (TCAS) program.

OTHER EQUIPMENT

The Committee recommends \$30,314,000 for other equipment, a reduction of \$3,655,000 below the budget estimate.

Marine information for safety and law enforcement (MISLE).—Due to budget constraints, the recommendation holds funding for this project at essentially the fiscal year 1998 level of \$4,000,000, a reduction of \$2,000,000 from the budget estimate.

Aviation logistics management information system (ALMIS).—The Committee denies the requested \$1,000,000 for this project due to lack of justification.

Differential GPS phase II.—The Committee recommends no funding for this project due to lack of justification and a need to fund higher priority counter-drug initiatives, a reduction of \$2,600,000 from the budget estimate. Although most of the Coast Guard's differential GPS program has been completed, this appropriation would fill coastal gaps in the system, particularly in Alaska, Guam, Puerto Rico, and Hawaii.

Drug interdiction sensors.—The bill includes \$9,000,000 for the acquisition of sensors used in counter-drug operations, including cutter and aircraft sensors as well as portable drug detection sensors used for ship boardings. The Coast Guard is accorded the flexibility to determine the best mix of sensors to satisfy operational requirements and have the most immediate impact on the drug war.

Unobligated balance transfer.—The Committee recommends a general reduction of \$7,055,000 which should be addressed by transferring unobligated balances from the following programs:

<i>Project</i>	<i>Fiscal year 1997 funds</i>
ALMIS	—\$3,100,000
Conversion of software	—3,500,000
VTS requirements evaluation	—455,000

SHORE FACILITIES AND AIDS TO NAVIGATION FACILITIES

The Committee recommends \$42,923,000 for shore facilities and aids to navigation facilities, a reduction of \$10,727,000 from the budget estimate.

Public family quarters.—The Committee recommends \$2,300,000, a reduction of \$16,300,000 below the budget estimate. The Committee has long been concerned that the Coast Guard sometimes requests funds for housing projects with insufficient market analysis or other supporting justification. For example, in July 1992, the Committee report on the fiscal year 1993 DOT and Related Agencies Appropriations Bill stated:

“The Committee is concerned that the Coast Guard is not effectively managing the family housing acquisition program . . . [projects] often end up in the budget with outdated and insupportable planning documents. In particular, the market surveys which serve as a primary justification are often so old that they are meaningless by the time funding is requested . . . Although the Coast Guard's planning and programming manual requires that housing needs be under constant review, it appears that re-evaluation occurs rarely if at all . . . Future support from the Committee will be dependent upon management improvements.”

Considering this, the Committee was very disappointed to receive a report from the Office of Inspector General in April 1998 which found that 9 of the 14 housing projects reviewed (almost two-thirds) were not adequately justified. It appears the service has not made the improvements suggested by the Committee in 1992. According to the IG report, the Coast Guard has \$16,300,000 in unobligated appropriations for unjustified projects in Sault Ste. Marie, Michigan; Valdez, Alaska; Oregon Inlet, North Carolina; and Cape Hatteras, North Carolina which could be put to better use. The Committee recommendation reduces the budget request by this amount and directs the Coast Guard to apply these unobligated funds to cover fiscal year 1999 budget requirements. The Committee also directs the Coast Guard, once again, to correct these long-standing problems.

Waterways aids to navigation projects.—The Committee recommends \$4,073,000 for waterways aids to navigation projects, a reduction of \$927,000 from the budget estimate. The reduction is due to budget constraints.

Group/Station New Orleans, LA-relocation.—The Committee recommends \$4,000,000 to continue the relocation of Group/Station New Orleans to Bucktown Harbor. These funds are provided to complete any remaining work to improve the condition of the waterway adjoining the relocation site, including dredging, bulkhead repairs, and bulkhead replacement, and, as a second priority, other aspects of the project. Similar funding was provided for this project last year.

Air Station Miami, FL, renovate fixed wing hangar.—The Committee believes that, given budget constraints and the need to fund higher priority counter-drug initiatives, this project can be phased over two years at approximately the same level each year. This will also reduce the concurrency in this program, which appears to be unnecessary. This results in a reduction of \$3,500,000 from the budget request, which is without prejudice to the overall program.

Capitalizable projects.—The Committee recommends a transfer of \$8,000,000 from “Operating expenses” to “Acquisition, construction, and improvements” based upon an IG report which found the Coast Guard inappropriately budgeting in operating expenses projects which should have been funded from the AC&I budget. The IG selected 45 projects totaling \$25,000,000, and concluded that 32 of the projects (71 percent) should have been funded from the AC&I appropriation. These included acquisition of office space, expansion of building capacity, and construction of a parking lot. The Committee agrees with the IG that these activities are more appropriately funded from the capital account, and encourages the Coast Guard to make such changes permanent beginning in the year 2000 budget.

Training infrastructure, optimize.—The Committee bill includes the requested funds for studies, preliminary design and engineering for facility renovations related to a possible reconfiguration of the Coast Guard’s training facilities. The Committee directs the Coast Guard to submit its planned report, “Training 2000”, once it is completed, to the Committee. The Committee expects that the Coast Guard will obligate no funds nor take any other actions to

consolidate or eliminate any training facilities until the Committee has had thirty legislative days to review the Coast Guard report.

Asset sales.—The Committee recommendation assumes a slightly higher amount of offsetting collections from asset sales in fiscal year 1999 than the budget estimate. Last year, the estimate for fiscal year 1999 was \$3,800,000. However, the level assumed in the President's budget is only \$948,300—the lowest amount in three years. Last year, the Coast Guard listed 29 properties which they believed could be excessed. To date, only 14 have been excessed, and the budget assumption would only raise that level to 17. The Committee believes the Coast Guard could move more aggressively in this area, and accordingly reduces the request by \$2,000,000.

PERSONNEL AND RELATED SUPPORT

The bill includes \$48,450,000 for AC&I personnel and related support, an increase of \$1,450,000 (3.1 percent) above the fiscal year 1998 enacted level, and the same as the budget estimate. Of the funds provided, \$750,000 is for core acquisition costs.

Quarterly acquisition reports.—The Coast Guard is directed to continue submission of the quarterly acquisition reports to the House and Senate Committees on Appropriations. The Coast Guard is to continue including with each such report an up-to-date listing of unobligated balances by acquisition project and by fiscal year, a Congressional direction first implemented in fiscal year 1996.

BILL LANGUAGE

Disposal of real property.—The bill includes a provision first enacted in fiscal year 1996 crediting to this appropriation proceeds from the sale or lease of the Coast Guard's surplus real property. This provision was requested in the President's budget. The bill allows asset sale revenues to be credited to this appropriation as offsetting collections, but limits the amount of offsetting collections in fiscal year 1999 to \$3,000,000, resulting in a corresponding savings in budget authority.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

Appropriation, fiscal year 1998	\$21,000,000
Budget estimate, fiscal year 1999	21,000,000
Recommended in the bill	21,000,000
Bill compared with:	
Appropriation, fiscal year 1998 .....	.....
Budget estimate, fiscal year 1999 .....	.....

This appropriation assists in bringing Coast Guard facilities into compliance with applicable federal, state and environmental regulations; conducting facilities response plans; developing pollution and hazardous waste minimization strategies; conducting environmental assessments; and conducting necessary program support. These funds permit the continuation of a service-wide program to correct environmental problems, such as major improvements of storage tanks containing petroleum and regulated substances. The program focuses mainly on Coast Guard facilities, but also includes third party sites where Coast Guard activities have contributed to environmental problems.

The recommended funding level of \$21,000,000 is the same as the budget request, and the same as the fiscal year 1998 enacted level.

ALTERATION OF BRIDGES

Appropriation, fiscal year 1998	\$17,000,000
Budget estimate, fiscal year 1999 .....	.....
Recommended in the bill	12,000,000
Bill compared with:	
Appropriation, fiscal year 1998	- 5,000,000
Budget estimate, fiscal year 1999	+12,000,000

The bill includes funding for alteration of bridges deemed a hazard to marine navigation pursuant to the Truman-Hobbs Act. The Committee does not agree with the approach of the administration that obstructive highway bridges and combination rail/highway bridges should be funded out of the Federal Highway Administration's discretionary bridge account, and notes that this proposal was not included in the TEA21 conference report. This approach is unfair to some states which, under existing highway formulas, have a more difficult time competing for discretionary bridge grants and are therefore less likely to apply. In addition, the purpose of altering these bridges is to improve the safety of marine navigation under the bridge, not to improve surface transportation on the bridge itself. Since in some cases, there are unsafe conditions on the waterway beneath a bridge which has an adequate surface or structural condition, Federal-aid highways funding is not appropriate to address the purpose of the Truman-Hobbs program.

The Committee recommends \$12,000,000 for two bridges which have been funded in past years, including fiscal year 1998. Both of the bridges for which funds are recommended are authorized and have been issued an order to alter by the Commandant of the Coast Guard. The Committee directs that, of the funds provided, \$4,000,000 shall be allocated to the Sidney Lanier highway bridge in Brunswick, Georgia and \$8,000,000 shall be allocated to the Florida Avenue railroad/highway combination bridge in New Orleans, Louisiana.

RETIRED PAY

Appropriation, fiscal year 1998	\$653,196,000
Budget estimate, fiscal year 1999	684,000,000
Recommended in the bill	684,000,000
Bill compared with:	
Appropriation, fiscal year 1998	+30,804,000
Budget estimate, fiscal year 1999 .....	.....

This appropriation provides for the retired pay of military personnel of the Coast Guard and the Coast Guard Reserve. Also included are payments to members of the former Lighthouse Service and beneficiaries pursuant to the retired serviceman's family protection plan and survivor benefit plan, as well as payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act.

The Committee has approved the budget estimate of \$684,000,000 for this appropriation in fiscal year 1999. This compares to an appropriation of \$653,196,000 for fiscal year 1998, an

increase of 4.7 percent. This is scored as a mandatory appropriation in the Congressional budget process.

RESERVE TRAINING

Appropriation, fiscal year 1998	\$67,000,000
Budget estimate, fiscal year 1999	67,000,000
Recommended in the bill	69,000,000
Bill compared with:	
Appropriation, fiscal year 1998	+2,000,000
Budget estimate, fiscal year 1999	+2,000,000

This appropriation provides for the training of qualified individuals who are available for active duty in time of war or national emergency or to augment regular Coast Guard forces in the performance of peacetime missions. Program activities fall into the following categories:

1. *Initial training*.—The direct costs of initial training for three categories of non-prior service trainees.
2. *Continued training*.—The training of officer and enlisted personnel.
3. *Operation and maintenance of training facilities*.—The day-to-day operation and maintenance of reserve training facilities.
4. *Administration*.—All administrative costs of the reserve forces program.

The bill includes \$69,000,000 for reserve training, an increase of \$2,000,000 (3 percent) above the fiscal year 1998 level. The administration requested \$67,000,000.

Reimbursement to "Operating expenses".—The recommendation continues a provision originally enacted in fiscal year 1998 which limits to \$20,000,000 the amount of "Reserve training" funds which may be transferred to "Operating expenses". The Coast Guard's budget proposal assumes a transfer of \$22,100,000. Given the small size of the reserve training appropriation, and the declining size of the selected reserve, the Committee wants to ensure the reserves are not assessed excessive charge-backs to the Coast Guard operating budget. The Committee continues to believe that, absent this provision, the proposed level of reimbursement would be too high, especially given the substantial amount of reserve augmentation workhours provided by the reserves in direct support of Coast Guard missions.

The provision also prohibits the Coast Guard from instituting any "direct charges" which were not in effect during fiscal year 1997. The Committee has learned that, in order to circumvent the reimbursement cap imposed in fiscal year 1998, the service began charging reservists directly for items which previously had been deducted from the "Reserve training" appropriation, rather than absorb those costs from their operating account. A new proviso has been added to stop this practice.

Size of the selected reserve.—The Committee is concerned about the continued decline of the selected reserve and the Coast Guard's ineffectiveness at stemming that decline. The reserve end strength has dropped almost 40 percent over the past ten years—from 12,000 ten years ago to approximately 7,300 at the end of January 1998. In fiscal year 1998, the appropriated level of funding should have been sufficient for a reserve level of 7,800. However, the level

at the end of January 1998 was only 7,299—a drop of 197 below the level only four months before. The fiscal year 1999 budget proposal would drop reserve strength even further, from 7,800 to 7,600, and require them to absorb the addition of three new port security units with 126 billets each. These actions are refuted by the Coast Guard's own study, recently prepared for the Office of Management and Budget, which concluded that there are bona fide requirements for a selected reserve of 12,200. The fiscal year 1999 budget proposal would fund only 62 percent of the requirement.

The Committee continues to believe that the reserves provide vital contributions to Coast Guard and national security missions. For example, in fiscal year 1997, the Coast Guard reserves contributed 9,624 staff-days to counter-drug operations. Although Coast Guard leadership has spoken glowingly about the success of the anti-drug initiative known as Operation Frontier Shield, they have not often mentioned that reservists provided 25 percent of the total surge needed for that operation. The Committee does not believe that the budget for the reserve should be sacrificed further to fund increases for other components of the Coast Guard budget, especially as the reserves are asked more and more frequently to assist in supplementing the service's regular day-to-day activities.

Recruiting.—The Committee is disappointed that, once again this year, Coast Guard data presented to the Committee indicate the Reserve is not meeting its recruiting goals. This not only reduces the size of the reserve force, but raises costs unnecessarily. In fiscal year 1997, the Coast Guard was able to meet 95 percent of its active duty recruiting target, but only 71 percent of the reserve target. For this reason, Congress added \$1,000,000 last year for a more aggressive reserve recruiting campaign. However, by the end of February 1998, the Coast Guard had signed up only 136 new recruits—an indication that the year-end goal of 1,313 may not be achieved. In testimony this year, the Coast Guard stated that “failure to meet reserve recruiting goals is a continuing concern of the Coast Guard”. The Committee is likewise concerned, and expects the new leadership team at the Coast Guard to come up with solutions which more effectively address this problem.

Reserve personnel allowance list (RPAL).—Personnel management in the Coast Guard reserves is accomplished through the reserve personnel allowance list (RPAL). Billet requirements in the RPAL are specific with regard to rank or rating, specialty and training (e.g., boatswain's mate second class), which requires the service to recruit to a specific RPAL vacancy. In the Navy, by contrast, less than half of the billets have requirements so specific that they require an exact match to rate, rank, and training. In addition, the Navy, Army, and Air Force each have geographic restrictions on commuting distance which are less restrictive than the Coast Guard. The Committee believes this inflexibility may be one reason why the Coast Guard has been unsuccessful at meeting its recruiting goals. The Committee strongly encourages the Coast Guard to relax these billet and geographic restrictions, and allow similar flexibilities to those allowed by the other military services.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Appropriation, fiscal year 1998	\$19,000,000
Budget estimate, fiscal year 1999	18,300,000
Recommended in the bill	12,000,000
Bill compared with:	
Appropriation, fiscal year 1998	– 7,000,000
Budget estimate, fiscal year 1999	– 6,300,000

The bill includes \$12,000,000 for applied scientific research and development, test and evaluation projects necessary to maintain and expand the technology required for the Coast Guard's operational and regulatory missions. Of this amount, \$3,150,000 is to be derived from the oil spill liability trust fund. This is \$6,300,000 below the budget request and \$7,000,000 less than the amount provided last year. The reduction is due to budget constraints and the Committee's view that additional funding must be provided to fight the war on drugs. The Committee believes that much of the work in this appropriation, especially those activities oriented toward management analysis or operational effectiveness analysis, could easily and properly be performed using operating funds.

BOAT SAFETY

(AQUATIC RESOURCES TRUST FUND)

Appropriation, fiscal year 1998	\$35,000,000
Budget estimate, fiscal year 1999 ¹	
Recommended in the bill	
Bill compared with:	
Appropriation, fiscal year 1998	– 35,000,000
Budget estimate, fiscal year 1999	

¹ President's budget requests \$50,000,000 in mandatory appropriations in fiscal year 1999.

The Internal Revenue Code of 1954, as amended, and the Federal Boat Safety Act of 1971, as amended, provide for the transfer of highway trust fund revenue derived from the motor boat fuel tax, excise taxes on sport fishing equipment, and import duties on fishing tackle and yachts to the aquatic resources trust fund. The Secretary of the Treasury estimates the amounts to be so transferred and appropriations are authorized from the fund for recreational boating safety assistance and other programs by the Federal Boat Safety Act of 1971 and Public Law 98-369 (the Deficit Reduction Act of 1984). These funds are used primarily to provide grants to states to help enforce boating safety laws and to expand boating education programs.

The bill includes no appropriation for the boat safety program. The recently-enacted Transportation Efficiency Act for the 21st Century (TEA21) made changes to the authorizing legislation which essentially make this a mandatory program. The Committee believes that sufficient funding will be made available through the highway Act that additional discretionary funds are unnecessary. The Committee continues to believe that boating fatalities and injuries are a serious problem, and that the Coast Guard should play a greater leadership role than is currently the case. Since this is now essentially a mandatory program, the Committee strongly encourages the appropriate legislative committees to provide the leadership in this area and develop programs which reduce the number of fatalities and injuries nationwide.

FEDERAL AVIATION ADMINISTRATION

SUMMARY OF FISCAL YEAR 1999 PROGRAM

The Federal Aviation Administration (FAA) is responsible for the safety and development of civil aviation and the evolution of a national system of airports. Most of the activities of the FAA will be funded with direct appropriations in fiscal year 1999. The grants-in-aid for airports program, however, will be financed under contract authority with the program level established by a limitation on obligations contained in the accompanying bill. The bill assumes continuation of the aviation ticket tax and other related aviation excise taxes throughout fiscal year 1999 and assumes no new user fees.

The recommended program level for the FAA for fiscal year 1999 totals \$9,477,558,000, including a \$1,800,000,000 limitation on the use of contract authority. This is \$375,964,000 (4.1 percent) above the fiscal year 1998 enacted level and \$273,572,000 (3 percent) below the President's request. When user fees are included, the total FAA budget is \$9,524,400,000, an increase of \$422,806,000 (4.6 percent) over fiscal year 1998. The following table summarizes the fiscal year 1998 program levels, the fiscal year 1999 program requests, and the Committee's recommendations:

Program	Fiscal Year—		
	1998 enacted	1999 estimate	1999 recommended
Operations	\$5,301,934,000	\$5,634,972,000	\$5,579,400,000
Direct appropriation	(5,301,934,000)	(5,588,130,000)	(5,532,558,000)
User fees	(---)	(46,842,000)	(46,842,000)
Facilities and equipment	1,900,477,000	2,130,000,000	2,000,000,000
Research, engineering and development	199,183,000	290,000,000	145,000,000
Grants-in-aid for airports (AIP)	1,700,000,000	1,700,000,000	1,800,000,000
Total	9,101,594,000	9,754,972,000	9,524,400,000

OPERATIONS

(INCLUDING AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 1998 ¹	\$5,301,934,000
Budget estimate, fiscal year 1999	5,588,130,000
Recommended in the bill	5,532,558,000
Bill compared with:	
Appropriation, fiscal year 1998	+230,624,000
Budget estimate, fiscal year 1999	-55,572,000

¹Excludes reductions of \$939,000 for TASC.

This appropriation provides funds for the operation, maintenance, communications, and logistical support of the air traffic control and air navigation systems. It also covers administrative and managerial costs for the FAA's regulatory, airports, medical, engineering and development programs.

The operations appropriation includes the following major activities: (1) operation on a 24-hour daily basis of a national air traffic system; (2) establishment and maintenance of a national system of aids to navigation; (3) establishment and surveillance of civil air regulations to assure safety in aviation; (4) development of standards, rules and regulations governing the physical fitness of airmen

as well as the administration of an aviation medical research program; (5) administration of the acquisition, research and development programs; (6) administration of the civil aviation security program; (7) headquarters, administration and other staff offices; and (8) administration of the federal grants-in-aid program for airport construction.

COMMITTEE RECOMMENDATION

The Committee recommends \$5,532,558,000 for FAA operations, an increase of \$230,624,000 (4.4 percent) above the level provided for fiscal year 1998. This compares to a level of \$5,588,130,000 in the President's budget request. In addition, the FAA is expected to receive a \$43,000,000 permanent user fee appropriation from overflight fees and \$3,842,000 in other user fees, bringing the total operating increase to 5 percent during fiscal year 1999.

A breakdown of the fiscal year 1998 enacted level, the fiscal year 1999 budget estimate, and the Committee recommendation by budget activity is as follows:

Budget activity	Fiscal year—		
	1998 enacted	1999 estimate	1999 recommended
Air traffic services	\$4,171,416,000	\$4,380,866,000	\$4,352,175,000
Aviation regulation and certification	614,168,000	636,027,000	635,418,000
Civil aviation security	98,154,000	128,821,000	128,821,000
Administration of airports	48,052,000	49,854,000	49,554,000
Research and acquisition	92,340,000	94,202,000	92,340,000
Commercial space transportation	6,182,000	6,275,000	6,275,000
Administration	258,491,000	259,014,000	258,365,000
Staff offices	71,750,000	76,071,000	77,071,000
Account-wide adjustments	-9,137,000	---	-24,461,000
Total budget	5,301,934,000	¹ 5,631,130,000	¹ 5,575,558,000
Overflight user fee collections	---	43,000,000	43,000,000
Appropriated in this bill	5,351,934,000	5,588,130,000	5,532,558,000

¹ Excludes \$3,842,000 in other user fee collections.

FAA FUNDING SITUATION

Over the past three years, the Department of Transportation and the FAA have suggested that the Congressional budget process will be unable to provide funding for the FAA's true needs over the 1998–2002 time frame. In response to this and other concerns, Congress established the National Civil Aviation Review Commission and called for an independent assessment of FAA's long-term finances last year.

The independent assessment of FAA's financial situation concluded that:

- (1) With little or no change in FAA's operations, the agency's estimate of their long-term funding requirement is reasonable; and
- (2) Significant opportunities for cost savings and efficiencies exist in the FAA today, and should be taken advantage of to reduce future budgetary requirements.

After reviewing this report and other information submitted by the FAA, the Committee does not believe the federal budget process is inherently or structurally incapable of providing adequate resources for the FAA. The resources in this bill confirm that the

Congress can provide significantly increasing resources for the FAA, even above the rates of increase of aviation activity. In this bill, appropriations for FAA's air traffic operations increase by approximately \$180 million (4.3 percent)—far beyond the estimated rate of increase in aviation activity. Grants for improvements at our nation's airports are increased by 6 percent. Funding for FAA air traffic control capital programs are above the fiscal year 1998 level as well, by 5.3 percent.

In recommending these increases in the agency's budget, the Committee hopes the FAA will leverage this increase by making structural and process changes in the agency to improve productivity and reduce waste, as suggested in the independent assessment. The independent assessment noted that even a 10 percent improvement in air traffic productivity would save the agency \$21,000,000 a year in operating costs, and recommended the FAA Administrator mandate that FAA's Productivity Working Group establish specific goals and expectations in this area. They noted "air traffic control operations costs continue to increase faster than the demand for FAA air traffic control services". The IG testified before the Committee last year that "there are a lot of opportunities for them [the FAA] to reduce their operating costs". Yet currently the FAA's budget assumes little air traffic control productivity improvement in the 1998–2000 time period.

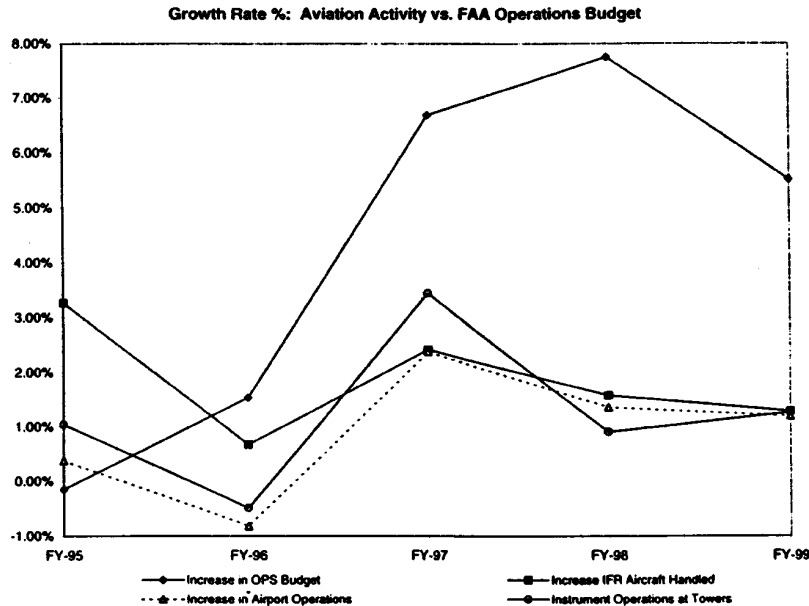
USER FEES

The bill assumes the collection of no additional user fees in fiscal year 1999 that were not Congressionally authorized for collection during fiscal year 1998 and includes a provision prohibiting funds in this Act from being used to plan or promulgate any regulation to institute any new user fee not specifically authorized by law after the date of enactment of this Act. The bill assumes the FAA will collect approximately \$43,000,000 during fiscal year 1999 from overflight user fees and \$3,842,000 from other authorized user fees.

The Committee's specific recommendations by budget activity are discussed below.

AIR TRAFFIC SERVICES

The Committee recommends \$4,352,175,000 for air traffic services, an increase of \$180,759,000 (4.3 percent) above the fiscal year 1998 enacted level. The Committee believes these increases are needed as air traffic activity continues to increase, and as FAA struggles to maintain both old and modernized air traffic control systems simultaneously. As the following chart indicates, this 4 percent increase is far above the anticipated workload indicators for fiscal year 1999. This is similar to past years.



AIR TRAFFIC CONTROLLER PAY AND STAFFING LEVELS

The FAA recently announced a new, five-year agreement with the largest of its labor unions which will affect the agency's budget significantly for the next several years. The agreement with the National Air Traffic Controllers Association is estimated to result in an average 13.5 percent increase in base salary for covered employees, which will add up to \$940,000,000 in new budgetary requirements over the fiscal year 1999 to 2003 time period. If similar increases are afforded to other, non-bargaining unit members of the air traffic service, the additional cost is estimated at over \$1 billion. The Committee is aware that the agreement also includes productivity improvements and caps on staffing which should reduce the impact of the salary increases; however, it does not appear at this time that such improvements will offset more than 15 percent of the total cost increase. To honor this agreement, FAA estimates that between \$70,000,000 and \$80,000,000 will be required in fiscal year 1999. None of these funds have been budgeted by the FAA, however, and no funds are specifically set aside in this bill for that purpose. The Committee directs the FAA administrator to submit a report to the House and Senate Committees on Appropriations no later than December 31, 1998 which explains in detail the pay scales established under this new agreement, the dollar impact in fiscal year 1999, and the programs and activities being reduced or deferred in fiscal year 1999 to finance the new agreement.

Maximum age rule.—Under discretionary powers authorized by Congress, the FAA has promulgated a maximum age rule for air traffic controllers which specifies that no air traffic controller may be initially hired by the FAA over 31 years of age. The Committee has been made aware of an instance this year where the FAA hired

an air traffic controller with full knowledge that the controller exceeded that age slightly. After the individual relocated, the agency noticed its error and advised the individual that he would be compelled to take a “voluntary” change in employment status in order to keep his job. At the same time, the agency has been rehiring many former controllers who have not worked for the FAA for at least fifteen years and who are well over the age limit. The Committee is unclear whether the maximum age rule continues to serve a valid purpose at the agency, given the FAA’s desire to have maximum flexibility in personnel practices. In addition, since a large percentage of new hires are over the age limit anyway, there is the appearance of unfairness between different classes of potential air traffic controllers. Therefore, the Committee directs FAA to review the maximum age rule, and strongly consider waiving the rule for any employees mistakenly hired by the agency which meet all hiring criteria except the age limitation.

Air traffic controller training.—The FAA uses a controller training contract and training at the FAA Academy in Oklahoma (referred to as “technical training”) to supplement training done by local staff at each air traffic facility. The controller training contract provides site specific training at all en route and five major terminal facilities. The funding for technical training supports course development and instruction at the FAA Academy using FAA and contract employees. The fiscal year 1999 budget request included \$15,500,000 for the controller training contract and \$24,938,000 for technical training, for a total of \$40,438,000. This is \$4,000,000 (11 percent) above the estimated level for fiscal year 1998. The Committee bill includes the requested amount, and the FAA is encouraged to maintain those funds for training throughout the year if at all possible.

Contract weather services, Hickory Regional Airport.—The Committee directs the FAA to continue providing contract weather observation services at the Hickory Regional Airport in North Carolina during fiscal year 1999.

Contract weather services, Northwest Alabama Regional Airport.—The Committee directs the FAA to continue providing contract weather observation services at the Northwest Alabama Regional Airport in Muscle Shoals, Alabama.

Adjustments to the budget estimate are as follows:

NAS handoff.—The recommended bill includes an increase of 10 percent for overtime related to the implementation of new equipment at air traffic control facilities, compared to the 32 percent increase requested.

Aeronautical charting.—The bill includes \$27,311,190 for aeronautical charting, a reduction of \$5,000,000 from the budget estimate of \$32,311,190. The reduction would eliminate the proposed increase to subsidize rental costs at the National Oceanic and Atmospheric Administration.

Annualization of fiscal year 1998 new hires.—The fiscal year 1999 budget estimates that \$10,428,000 would be required to annualize in fiscal year 1999 the 500 net new hires from fiscal year 1998. However, due to shortfalls in fiscal year 1998, it does not appear likely that FAA will meet this hiring target. Therefore, a

lower level of annualization funding will suffice. The Committee recommendation reduces this amount by approximately one half.

MARC.—The recommendation includes \$1,700,000 to continue operating support for the Mid-America Aviation Resource Consortium (MARC) in Minnesota. This is the same as enacted for fiscal year 1998. These funds are to be used in Minnesota to support the air traffic controller training program, to continue research and curriculum development for the FAA, to follow-up on MARC graduates and to develop other materials as needed for FAA-related projects. MARC has a successful record in placing its graduates directly in the field. The Committee supports and encourages this cost-effective manner of training, and directs the FAA to continue the current contractual relationship with MARC, as prescribed by law.

Systems maintenance.—FAA budget documents indicate that the national airspace system is deteriorating at an increasing rate, as new systems compete against old for maintenance priorities and the agency holds down or reprograms resources for maintenance staffing and spare parts. The Committee received evidence from FAA and other sources this year which highlight this problem:

(a) Although FAA agrees that the agency should budget for maintenance personnel at least to 80 percent of that called for in their staffing standard, the fiscal year 1999 budget would accommodate only 71 percent. This compares to approximately 103 percent of the staffing standard for air traffic controllers. The comparable figure five years ago was 82 percent.

(b) The agency is not meeting its employment goals for the maintenance workforce. For example, in fiscal year 1997, the FAA expected an employment level of 8,410 for the maintenance workforce, but at the end of the year, had only achieved 8,281. This is because attrition was higher than expected.

(c) Maintenance overtime has increased dramatically—over 102 percent—between fiscal years 1996 and 1999. The FAA now budgets for over 420,000 hours of maintenance overtime.

(d) The request for spare parts in fiscal year 1999 is the lowest of any year since 1993, and fiscal year 1998 obligations for spare parts are also lower than any year since 1993. This comes despite a growing inventory of deployed systems and facilities.

(e) Unscheduled outages and mean time to restore for some systems are increasing significantly. For example, unscheduled outages for VOR systems during 1996 were at their highest level since 1990. In explaining the increases in mean time to restore NAS equipment, FAA officials state that this is because the equipment is old, replacement parts may not be readily available, the workforce is small, and newer technicians may not have the expertise to repair the old equipment.

The Committee is concerned about this situation, and consequently recommends an additional \$12,584,000 for maintenance. The FAA may decide the distribution of these funds between spare parts and staffing.

Mather Airport instrument landing system.—Once again this year, the bill includes a general provision (sec. 313) which allows airports to transfer, without consideration, instrument landing systems and associated lighting equipment to the FAA, if the purchase

of such systems had been assisted by an FAA airport grant. The Committee believes that the GRN-29 instrument landing system at Sacramento Mather Airport in California meets these requirements, and the FAA is directed to take over the operation and maintenance of that system in accord with section 313 of this Act.

Leased telecommunications.—The recommended level provides an increase of 2.5 percent instead of the 7 percent increase requested.

GPS-related telecommunications costs.—The Committee does not believe that operations costs for the wide- and local-area augmentation systems (WAAS and LAAS, respectively) utilizing the GPS satellite system are yet appropriate for FAA's operating budget. The Committee believes these costs should be borne by the F&E budget, given the developmental nature of these systems. Therefore, the bill transfers \$22,700,000 for the WAAS project and \$675,000 for the LAAS project to the F&E appropriation.

AVIATION REGULATION AND CERTIFICATION

The Committee recommends \$635,418,000 for aviation regulation and certification, \$609,000 below the budget request and \$21,250,000 (3.5 percent) above the fiscal year 1998 enacted level.

Flight standards, new staffing.—The Committee recommendation does not include \$425,000 for the requested six new headquarters aviation safety inspector positions. According to budget justification documents, these positions appear to be related to FAA's modernization program, not for ongoing operational responsibilities. The Committee is cautious about raising the operating budget to address temporary needs caused by the implementation of new technologies, and encourages the FAA to finance these activities through the F&E budget, or minimize their requirement through the implementation of labor-saving automation technology.

Aviation safety program.—FAA's flight standards service conducts a program known as the aviation safety program (ASP), which produces and distributes safety educational programs and materials for general aviation pilots. Since the large majority of aviation accidents in this country are general aviation accidents, the Committee believes that a small increase in this area could result in a large payoff. The bill includes \$700,000 for the ASP program, an increase of \$500,000 above the budget estimate.

Safety-related training activities.—The Committee is aware of a training plan being developed by the Aviation Institute at the George Washington University/Virginia campus and the Institute for Public Policy and the Department of Psychology at George Mason University, through the Aviation Policy Program, to address important air travel safety issues. The program is intended to improve aviation safety through human factors research and through research into the legal, economic, policy, and technical dimensions of domestic and international aviation. The Committee urges the FAA to work with the university to determine how this training plan can be structured to support and complement the agency's other ongoing safety programs.

Rulemaking.—Given the "Challenge 2000" study and National Civil Aviation Review Commission recommendations that the FAA's rulemaking process should be streamlined, as well as the view in Congress that regulations should be held at the minimum

level necessary, the Committee does not find it justified to increase the rulemaking budget by 24.5 percent over the past two fiscal years, as the fiscal year 1999 budget assumes. The recommendation would freeze these costs at the same dollar level as enacted for fiscal year 1998, a reduction of \$684,000 from the budget estimate.

Automatic dependent surveillance-broadcast system.—The Committee understands that the automatic dependent surveillance-broadcast (ADS-B) system is pending the approval of the FAA. The Committee is supportive of aircraft being equipped with the best collision avoidance system available. However, understanding the concern for the lack of collision avoidance systems in cargo aircraft, the Committee directs the FAA to approve ADS-B by January 1, 2001, or mandate traffic alert and collision avoidance system (TCAS II) in all cargo aircraft at that time.

CIVIL AVIATION SECURITY

The Committee recommends \$128,821,000 for civil aviation security, the same as the budget estimate and an increase of \$30,667,000 (31.2 percent) above the fiscal year 1998 enacted level. The bill includes funds for 15 additional staff years for aviation security personnel, as requested. The majority of the increase is required to annualize salaries of new personnel hired with funding from the Supplemental Appropriations Act, 1997.

ADMINISTRATION OF AIRPORTS

The Committee recommends \$49,554,000 for the administration of airports program, a reduction of \$300,000 from the budget estimate and \$1,502,000 (3.1 percent) above the fiscal year 1998 enacted level. The reduction would eliminate funds for a new department-wide grants management system. The Committee is not convinced that such an initiative is of sufficiently high priority, given current budget constraints.

RESEARCH AND ACQUISITION

The Committee recommends \$92,340,000 for research and acquisition, \$1,862,000 (2 percent) less than the budget request and approximately the same as the fiscal year 1998 enacted level. This activity finances the planning, management, and coordination of FAA's research and acquisition programs. A separate recommendation is discussed under "accountwide adjustments" transferring the funding for certain acquisition personnel to the "Facilities and equipment" appropriation.

COMMERCIAL SPACE TRANSPORTATION

The Committee recommends \$6,275,000 for the Office of Commercial Space Transportation (OCST), the same as the budget request and \$93,000 (1.5 percent) above the fiscal year 1998 enacted level.

ADMINISTRATION

The Committee recommends \$258,365,000 for administration, a reduction of \$649,000 from the budget estimate.

Washington flight program (hangar six).—Data provided by the FAA shows that a large percentage of the use of FAA aircraft is by other agencies such as NASA, the FBI, and the Department of Justice. The aircraft is also used significantly by NTSB for non-emergency situations (e.g., meetings) where it appears that commercial travel could be used. It appears that some of these trips could be performed either on commercial aircraft or on a reimbursable basis, with these other agencies paying their fair share of operating costs. The recommended reduction of \$649,000 allows approximately half of the requested funds for these operations. The recommended level assumes that additional funds will be collected on a reimbursable basis. However, the Committee assumes that emergency “go team” operations of NTSB or the secretary’s office will be exempt from the reimbursable requirement.

STAFF OFFICES

The Committee recommends \$77,071,000 for certain headquarters staff offices funded in this budget activity, an increase of \$1,000,000 above the budget estimate. The increase is to fund a new initiative, the Office of Safety Assessment, which is explained more fully below.

Office of Safety Assessment.—The bill includes \$1,000,000 for the FAA to establish a new Office of Safety Assessment. The primary responsibility of this office is to coordinate activities which will result in more effective and useful measurement of aviation safety nationwide. The Committee is concerned that, today, aviation safety statistics are produced, all too often, in a haphazard way which responds to a particular incident or media exposure. This is not the most effective way to ensure the public safety in aviation. The Committee is heartened that both the FAA and the commercial airline industry are moving in the direction of providing a more thoughtful, comprehensive approach to safety measurement which is critical if safety is to be improved. In this year’s hearing, the FAA administrator said “we would, Mr. Chairman, embrace that enthusiastically . . . I think formalizing that is a very good idea, and I think it would be very helpful to us”.

The Committee envisions that a task force would be created with representatives from, at a minimum, the Federal Aviation Administration, the National Transportation Safety Board, the DOT Office of Inspector General, the General Accounting Office, the Air Transport Association, the Aircraft Owners and Pilots Association, and the Flight Safety Foundation. The task force would be assisted by detailees, as appropriate, and a permanent staff of five. The recommendation includes funds for five staffyears and administrative support.

English language proficiency.—The Committee appreciates the work of the Office of International Aviation over the past year at designing an English language proficiency program which more closely meets Congressional intent. The Committee remains concerned that not enough is being done around the world to promote and standardize proficiency in the English language by pilots and air traffic controllers around the world. The Committee understands that FAA will allocate approximately \$350,000 to continue this effort in fiscal year 1999.

ACCOUNTWIDE ADJUSTMENTS

The Committee recommends accountwide adjustments resulting in a net decrease of \$24,461,000 below the budget estimate. These adjustments are discussed below.

Advisory and assistance services.—The recommendation allows the same level as last year instead of the requested increase of 56.2 percent. This results in a savings of \$179,000.

TASC.—The Committee recommendation reduces the amount of FAA activities to be performed by OST's Transportation Administrative Service Center (TASC) due to lack of justification. In fiscal year 1998, the FAA budget included \$28,400,000 for TASC activities. The fiscal year 1999 budget includes \$30,600,000, and there are indications the TASC will submit billings for \$37,000,000. Given the rising cost and the Committee's uncertainty about the cost-effectiveness of these services, the bill includes language capping FAA's costs at \$28,600,000, which is the fiscal year 1997 level. This results in a reduction from the budget estimate of \$2,000,000.

Contractual studies.—The recommendation holds contractual studies to slightly lower than the fiscal year 1998 level, instead of the 8.1 percent increase requested. The recommendation provides \$9,428,000, compared to the budget estimate of \$10,428,000 and the fiscal year 1998 enacted level of \$9,640,000. The reduction is due to budget constraints.

Acquisition staffing.—The Committee recommends transferring funding responsibility for several acquisition-related offices from the operations appropriation to "Facilities and equipment" (F&E), which is more closely associated with the work being performed. Although executive, planning, and general support offices would remain in the operations appropriation, those offices which support individual programs more directly should be financed out of the capital budget, because their product is to assist in modernizing the system, not perform day-to-day operations of today's system. The bill assumes the following offices and staffyears will be transferred, and the \$17,440,000 in associated costs have been added in F&E under "personnel and related expenses".

Office	FTE
ATS Development:	17
En route IPT	14
Terminal IPT	9
Tower/FSS IPT	7
TFM IPT	6
Oceanic IPT	5
CNS Systems Development:	18
Infrastructure IPT	12
Communications IPT	9
Surveillance and weather IPT	21
Aircraft and avionics IPT	14
Systems Architecture and Investment Analysis Office:	20
5 subordinate offices	60
Year 2000 Program Office:	6
Total	218

Offset for miscellaneous user fees.—The recommendation deletes \$3,842,000 of the request in anticipation that a similar amount in miscellaneous (non-overflight) user fees will be collected in fiscal year 1999 to offset the reduction and credited to this appropriation.

These user fee collections are the same as the FAA's estimate, and break down as follows:

<i>User fee</i>	<i>Amount</i>
Foreign repair station fees	\$3,200,000
Civil aviation registry fees	500,000
Security fingerprinting fees	140,000
Air taxi registration fees	2,000
Total	3,842,000

BILL LANGUAGE

Manned auxiliary flight service stations.—The Committee bill includes the limitation requested in the President's budget prohibiting funds from being used to operate a manned auxiliary flight service station in the contiguous United States. The FAA budget includes no funding to operate such stations during fiscal year 1999.

Second career training program.—Once again this year, the Committee bill includes a prohibition on the use of funds for the second career training program. This prohibition has been in annual appropriations Acts for many years, and is included in the President's budget

Sunday premium pay.—The bill retains a provision begun in fiscal year 1995 which prohibits the FAA from paying Sunday premium pay except in those cases where the individual actually worked on a Sunday. The statute governing Sunday premium pay (5 U.S.C. 5546(a)) is very clear: "An employee who performs work during a regularly scheduled 8-hour period of service which is not overtime work as defined by section 5542(a) of this title a part of which is performed on Sunday is entitled to * * * premium pay at a rate equal to 25 percent of his rate of basic pay." Disregarding the plain meaning of the statute and previous Comptroller General decisions, however, in *Armitage v. United States*, the Federal Circuit Court held in 1993 that employees need not actually perform work on a Sunday to receive premium pay. The FAA was required immediately to provide back pay totaling \$37,000,000 for time scheduled but not actually worked between November 1986 and July 1993. Without this provision, the FAA would be liable for significant unfunded liabilities, to be financed by the agency's annual operating budget. This provision is identical to that in effect for fiscal years 1995 through 1998, and as requested by the administration in the fiscal year 1999 President's budget.

GENERAL PROVISIONS

O'Hare Airport slot management.—The bill continues the general provision (sec. 329) enacted beginning in fiscal year 1995 which prohibits funding to implement or enforce regulations that would result in slot allocations for international operations to any carrier at O'Hare Airport in excess of the number of slots allocated to and scheduled by that carrier as of the first day of the 1993–1994 winter season, if that international slot is withdrawn from an air carrier under existing regulations for slot withdrawals.

Centennial of Flight Commission.—The bill includes a provision (sec. 336) which stipulates that, of the funds provided for FAA "Op-

erations”, \$250,000 shall be for support of the Centennial of Flight Commission, as reported by the House Committee on Transportation and Infrastructure in section 711 of H.R. 4057, the “Airport Improvement Program Reauthorization Act of 1998”.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 1998	\$1,900,477,000
Budget estimate, fiscal year 1999	2,130,000,000
Recommended in the bill	2,000,000,000
Bill compared with:	
Appropriation, fiscal year 1998	+99,523,000
Budget estimate, fiscal year 1999	– 130,000,000

This account is the principal means for modernizing and improving air traffic control and airway facilities. This account also finances major capital investments required by other agency programs, experimental research and development facilities, and other improvements to enhance the safety and capacity of the airspace system.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,000,000,000 for this program, an increase of \$99,523,000 (6.8 percent) above the level provided for fiscal year 1998 and \$130,000,000 below the budget estimate. The bill provides that of the total amount recommended, \$1,749,350,000 is available for obligation until September 30, 2001, and \$250,650,000 (the amount for personnel and related expenses) is available until September 30, 1999. These obligation availabilities are consistent with past appropriations Acts and the same as the budget request.

The following chart shows the fiscal year 1998 enacted level, the fiscal year 1999 budget estimate and the Committee recommendation for each of the projects funded by this appropriation:

Facilities and Equipment
Fiscal Year 1990
(In Thousands of Dollars)

TITLE	FY 1989 Enacted	FY 1989 Estimate	Committee Recommended
ENGINEERING DEVELOPMENT, TEST AND EVALUATION:			
ADVANCED TECHNOLOGY DEVELOPMENT & PROTOTYPING	(39,361,000)	(135,857,000)	46,867.0
SUBTOTAL - ADV DEV/PROTOTYPING	(39,361,000)	(135,857,000)	46,867.0
AVIATION WEATHER SERVICES IMPROVEMENTS	23,000.0	26,300.0	26,300.0
EN ROUTE AUTOMATION	.0	118,000.0	.0
OCEANIC AUTOMATION SYSTEM	32,000.0	13,700.0	.0
AERONAUTICAL DATA LINK (ADL) APPLICATIONS	16,000.0	16,500.0	.0
NEXT GENERATION VHF A/G COMMUNICATION SYSTEM	5,400.0	500.0	.0
AIR TRAFFIC MANAGEMENT (ATM)	46,440.0	47,800.0	.0
WEATHER AND RADAR PROCESSOR (WARP)	24,400.0	.0	.0
CONFLICT PROBE	.0	(48,000.0)	.0
HOST REPLACEMENT	.0	(72,000.0)	.0
SUBTOTAL - EN ROUTE PROGRAMS	146,340.0	222,800.0	26,300.0
TERMINAL DIGITAL RADAR (ASR-11)	36,800.0	.0	.0
TERMINAL AUTOMATION (STARS)	68,000.0	74,700.0	74,700.0
WEATHER SYSTEMS PROCESSOR (WSP)	5,200.0	.0	.0
INNOVATIVE INFRARED DEICING TECHNOLOGY	970.0	.0	.0
FREE FLIGHT PHASE I	.0	39,200.0	168,200.0
SUBTOTAL - TERMINAL PROGRAMS	109,970.0	113,900.0	242,900.0
LOCAL AREA AUGMENTATION SYSTEM FOR GPS (LAAS)	6,500.0	6,500.0	.0
WIDE AREA AUGMENTATION SYSTEM (WAAS)	152,830.0	101,500.0	.0
NEXT GENERATION NAVIGATION & LANDING SYSTEM	.0	.0	129,875.0
SUBTOTAL - LANDING/NAVAIDS	159,330.0	108,000.0	129,875.0
FAA TECHNICAL CENTER FACILITY - BUILDING LEASE	5,290.0	5,290.0	5,290.0
NAS IMPROVEMENT OF SYSTEM SUPPORT LABORATORY	2,000.0	2,000.0	2,000.0
TECHNICAL CENTER FACILITIES	7,000.0	7,000.0	7,000.0
INDEPENDENT OPERATIONAL TEST SUPPORT	3,200.0	3,500.0	3,500.0
SUBTOTAL, RDT&E EQUIPMENT AND FACILITIES	17,490.0	17,790.0	17,790.0
TOTAL ACTIVITY 1	432,630.0	462,490.0	462,722.0
AIR TRAFFIC CONTROL FACILITIES AND EQUIPMENT:			
LONG RANGE RADAR (LRR) PROGRAM - REPLACE/ESTABLISH	6,800.0	5,700.0	5,700.0
EN ROUTE AUTOMATION	212,290.2	196,300.0	196,700.0
NEXT GENERATION WEATHER RADAR (NEXRAD)	3,000.0	4,900.0	4,900.0
AIR TRAFFIC OPERATIONS MANAGEMENT	1,000.0	1,000.0	1,000.0
WEATHER AND RADAR PROCESSOR (WARP)	.0	20,000.0	.0
AERONAUTICAL DATA LINK (ADL) APPLICATIONS	.0	600.0	600.0
ARTCC BUILDING IMPROVEMENTS/PLANT IMPROVEMENTS	96,851.2	63,931.6	49,800.0

Facilities and Equipment
Fiscal Year 1999
(In Thousands of Dollars)

TITLE	FY 1998 Enacted	FY 1999 Estimate	Committee Recommended
VOICE SWITCHING AND CONTROL SYSTEM (VSCS)	46,400.0	14,500.0	7,500.0
RCF - EXPAND/RELOCATE	3,140.0	.0	.0
AIR TRAFFIC MANAGEMENT	40,000.0	44,600.0	29,403.3
DATA MULTIPLEXING NETWORK (DMN)	2,900.0	.0	.0
CRITICAL COMMUNICATIONS SUPPORT	3,000.0	1,850.0	1,850.0
DOD BASE CLOSURE - FACILITY TRANSFER	2,200.0	1,000.0	1,000.0
BACK-UP EMERGENCY COMMUNICATIONS (BUCC)	8,500.0	8,500.0	8,500.0
AIR/GROUND COMMUNICATION RFI ELIMINATION	2,000.0	1,600.0	1,600.0
VOLCANO MONITOR	2,000.0	.0	.0
ATC BEACON INTERROGATOR (ATCBI) REPLACEMENT	7,400.0	14,800.0	14,800.0
LOW DENSITY RADIO COMMUNICATIONS LINK	23,840.0	.0	.0
ATC EN ROUTE RADAR FACILITIES	6,748.3	4,100.0	4,100.0
EN ROUTE COMMS AND CONTROL FACILITIES IMPROVEMENT	918.3	3,128.7	3,128.7
OMEGA TERMINATION COST	6,700.0	.0	.0
SUBTOTAL - EN ROUTE PROGRAMS	474,488.0	385,508.3	385,508.0
TERMINAL DOPPLER WEATHER RADAR (TDWR) - PROVIDE	2,300.0	4,300.0	4,300.0
TERMINAL AUTOMATION	36,500.0	136,300.0	121,800.0
TERMINAL AIR TRAFFIC CONTROL FACILITIES - REPLACE	67,000.0	82,300.0	58,725.0
CONTROL TOWER/TRAFFIC FACILITIES - IMPROVE	.0	17,722.3	17,722.2
TERMINAL VOICE SWITCH REPLACEMENT (TVSR/VETVS)	1,840.0	11,500.0	9,000.0
RADIO CONTROL EQUIPMENT (RCE) - PROVIDE	3,000.0	.0	.0
EMPLOYEE SAFETY/OSHA AND ENVIRONMENTAL COMPLIANCE \$	23,000.0	22,000.0	22,000.0
CHICAGO METROPLEX	4,700.0	500.0	.0
NEW AUSTIN AIRPORT AT BERGSTROM	1,000.0	2,500.0	2,500.0
POTOMAC METROPLEX	27,800.0	11,900.0	11,900.0
DENVER METROPLEX	1,200.0	.0	.0
NORTHERN CALIFORNIA METROPLEX	21,700.0	27,600.0	21,700.0
ATLANTA METROPLEX	20,000.0	18,200.0	18,200.0
DIGITAL VOICE RECORDER SYSTEM	3,000.0	.0	.0
NAS INFRASTRUCTURE MANAGEMENT SYSTEM (NIMS)	18,000.0	22,000.0	18,000.0
AIRPORT SURVEILLANCE RADAR (ASR-9)	23,700.0	6,300.0	2,500.0
AIRPORT SURFACE DETECTION EQUIPMENT (ASDE-3)	7,500.0	5,600.0	5,600.0
TERMINAL RADAR (ASR) - IMPROVE	3,240.6	.0	.0
AIRPORT MOVEMENT AREA SAFETY SYSTEM (AMASS)	11,800.0	9,800.0	9,800.0
EMERGENCY TRANSCIVERS REPLACEMENT	.0	.0	.0
VOICE RECORDER REPLACEMENT PROGRAM	.0	3,000.0	3,000.0
TERMINAL FACILITIES INTEGRATION	.0	5,600.0	.0
TERMINAL DIGITAL RADAR (ASR-11)	.0	66,100.0	62,200.0
WEATHER SYSTEMS PROCESSOR	.0	16,100.0	13,200.0
DOD/FAA ATC FACILITIES TRANSFER	.0	3,600.0	3,600.0
PRECISION RUNWAY MONITORS	.0	3,300.0	3,300.0
TERMINAL RADAR (ASR) - IMPROVE	.0	2,773.4	2,773.4
TERMINAL COMMUNICATIONS IMPROVEMENTS	.0	1,119.8	1,119.8
SUBTOTAL - TERMINAL PROGRAMS	276,880.6	478,116.6	412,740.4

Facilities and Equipment
Fiscal Year 1999
(In Thousands of Dollars)

TITLE	FY 1998	FY 1999	Committee
	Enacted	Estimate	Recommended
AUTOMATED SURFACE OBSERVING SYSTEM (ASOS)	24,850.0	9,900.0	9,900.0
OASIS	3,900.0	25,500.0	22,500.0
DIGITAL ALTIMETER SETTING INDICATORS (DASI) - REPLACE	1,600.0	.0	.0
FLIGHT SERVICE FACILITIES IMPROVEMENT	1,418.5	1,364.4	1,364.4
FLIGHT SERVICE STATION MODERNIZATION	.0	1,000.0	2,000.0
SUBTOTAL - FLIGHT SERVICE PROGRAMS	31,768.5	37,764.4	35,764.4
VOR/DME/TACAN NETWORK PLAN	2,445.0	1,000.0	4,700.0
INSTRUMENT LANDING SYSTEM (ILS) - ESTABLISH/UPGRADE	3,000.0	8,000.0	16,500.0
ILS - REPLACE MARK 1A, 1B, AND 1C	2,200.0	2,100.0	2,100.0
LOW LEVEL WINDSHEAR ALERT SYSTEM (LLWAS)	4,300.0	3,000.0	3,000.0
RUNWAY VISUAL RANGE (RVR)	3,500.0	2,000.0	2,000.0
GULF OF MEXICO OFFSHORE PROGRAM	3,200.0	2,400.0	2,400.0
ILS REPLACEMENT/MILCOX CAT I/III	2,745.0	.0	.0
WIDE AREA AUGMENTATION SYSTEM (WAAS)	.0	16,000.0	.0
INDB SUSTAIN	1,400.0	1,000.0	1,000.0
NAVIGATIONAL AND LANDING AIDS - IMPROVE	3,000.0	2,761.8	2,000.0
APPROACH LIGHTING SYSTEM IMPROVEMENT (ALSIP)	.0	1,000.0	6,000.0
LORAN-C UPGRADES	3,000.0	.0	.0
PRECISION APPROACH PATH INDICATORS (PAPI)	3,500.0	.0	3,000.0
ANEMOMETERS AND RELATED EQUIPMENT-JUNEAU, AK	3,500.0	.0	.0
DISTANCE MEASURING EQUIPMENT	.0	1,200.0	1,200.0
VISUAL NAVAIDS	.0	400.0	400.0
SUBTOTAL - LANDING AND NAVIGATIONAL AIDS	35,795.0	40,961.8	44,300.0
ALASKAN NAS INTERFACILITY COMM SYSTEM (ANICS)	6,600.0	3,500.0	3,500.0
FUEL STORAGE TANK REPLACEMENT AND MONITORING	25,000.0	10,600.0	10,600.0
FAA BUILDINGS AND EQUIPMENT - IMPROVE/MODERNIZE	10,000.0	5,000.0	5,000.0
ELECTRICAL POWER SYSTEMS - SUSTAIN/SUPPORT	19,200.0	20,400.0	20,400.0
AIR NAVAIDS AND ATC FACILITIES (LOCAL PROJECTS)	2,000.0	2,000.0	2,000.0
AIRCRAFT RELATED EQUIPMENT PROGRAM	2,000.0	3,900.0	3,900.0
AIRCRAFT FLEET MODERNIZATION	2,701.0	.0	.0
AIRPORT CABLE LOOP SYSTEMS - SUSTAINED SUPPORT	500.0	.0	.0
COMPUTER AIDED ENG GRAPHICS (CAEG) REPLACEMENT	1,000.0	1,000.0	1,000.0
SUBTOTAL - OTHER ATC FACILITIES	71,901.0	46,400.0	46,400.0
TOTAL ACTIVITY 2	689,728.0	689,650.0	639,784.8
NON-ATC FACILITIES AND EQUIPMENT:			
NAS MANAGEMENT AUTOMATION PROGRAM (NASMAP)	1,000.0	800.0	800.0
HAZARDOUS MATERIALS MANAGEMENT	7,000.0	17,000.0	17,000.0
AVIATION SAFETY ANALYSIS SYSTEM (ASAS)	16,800.0	11,600.0	11,600.0
OPERATIONAL DATA MANAGEMENT SYSTEM (ODMS)	1,000.0	1,200.0	1,200.0
FAA EMPLOYEE HOUSING - PROVIDE	.0	8,000.0	8,000.0
LOGISTICS SUPPORT SYSTEM AND FACILITIES	9,749.0	2,300.0	2,300.0

Facilities and Equipment
Fiscal Year 1999
(In Thousands of Dollars)

TITLE	FY 1998 Enacted	FY 1999 Estimate	Committee Recommended
TEST EQUIPMENT - MAINTENANCE SUPPORT	500.0	500.0	500.0
INTEGRATED FLIGHT QUALITY ASSURANCE	3,000.0	3,000.0	3,000.0
SAFETY PERFORMANCE ANALYSIS SUBSYSTEM (SPAS)	4,100.0	3,500.0	3,500.0
NATIONAL AVIATION SAFETY DATA CENTER	2,000.0	1,800.0	1,800.0
PERFORMANCE ENHANCEMENT SYSTEM	11,000.0	9,700.0	9,700.0
EXPLOSIVE DETECTION SYSTEMS	.0	100,000.0	100,000.0
FACILITY SECURITY RISK MANAGEMENT	.0	1,000.0	1,000.0
INFORMATION SECURITY	.0	2,000.0	7,000.0
SUBTOTAL - SUPPORT EQUIPMENT	56,148.0	162,488.0	167,488.0
COMPUTER BASED INSTRUCTION (CBI) - EXPAND/IMPROVE	3,000.0	.0	.0
AERONAUTICAL CENTER TRAINING AND SUPPORT FACILITIES	6,000.0	12,000.0	12,000.0
NATIONAL AIRSPACE SYSTEM (NAS) TRAINING FACILITIES	1,500.0	400.0	400.0
DSR TRAINING SIMULATOR (MARC)	4,000.0	.0	4,000.0
SUBTOTAL - TRAINING EQUIPMENT & FACILITIES	14,500.0	12,400.0	16,400.0
TOTAL ACTIVITY 3	70,648.0	174,888.0	183,888.0
MISSION SUPPORT:			
SYSTEM ENGINEERING AND DEVELOPMENT SUPPORT	28,980.0	29,800.0	29,800.0
PROGRAM SUPPORT LEASES	27,500.0	29,100.0	29,100.0
LOGISTICS SUPPORT SERVICES	6,000.0	5,800.0	5,800.0
MIKE MONROE AERONAUTICAL CENTER - LEASE	15,200.0	14,800.0	14,800.0
IN-PLANT NAS CONTRACT SUPPORT SERVICES	2,500.0	2,000.0	2,000.0
TRANSITION ENGINEERING SUPPORT	44,800.0	41,800.0	41,800.0
FREQUENCY AND SPECTRUM ENGINEERING - PROVIDE	1,500.0	2,700.0	2,700.0
PERMANENT CHANGE OF STATION MOVES	3,800.0	3,500.0	3,500.0
FAA SYSTEM ARCHITECTURE	3,500.0	1,000.0	1,000.0
TECHNICAL SERVICES SUPPORT CONTRACT (TSSC)	54,700.0	47,550.0	47,550.0
RESOURCE TRACKING PROGRAM	500.0	500.0	1,000.0
CENTER FOR ADVANCED AVIATION SYSTEM DEV. (MITRE)	57,000.0	57,000.0	64,083.2
Y2K COMPUTER ISSUES	43,000.0	38,000.0	21,800.0
SUPPORT CONTRACTS - GENERAL	.0	-1,500.0	-1,500.0
TOTAL ACTIVITY 4	288,980.0	288,888.0	283,643.2
PERSONNEL AND RELATED EXPENSES:			
PERSONNEL AND RELATED EXPENSES	219,110.0	233,210.0	250,650.0
TOTAL ACTIVITY 5	219,110.0	233,210.0	250,650.0
TOTAL	1,900,477.0	2,130,588.0	2,089,088.0

ATC CAPITAL NEEDS AND THE CONGRESSIONAL BUDGET PROCESS

The Committee does not agree with those who suggest that the federal budget process will be unable to provide for the high-priority air traffic control modernization needs of the FAA. To the contrary, the current budget process does not impose fixed or immutable budget limits. As the GAO and the DOT Inspector General have repeatedly stated, FAA's modernization problems have not been the result of inadequate funding, but instead by weak and unfocused management at the FAA. When additional needs are justified, they are provided in the current process—with a prime example being the increase provided in this bill. This increase is greater than the government-wide spending increases for next year under the discretionary caps, and greater than what will be approved for capital programs in many other federal agencies.

FUNDING RESPONSIBILITY FOR NAVIGATION AND LANDING SYSTEMS

Last year, the Committee directed FAA not to shift funding responsibility for air traffic control equipment items which have historically been acquired and maintained by the Federal Government. The Committee reiterates that the procedure and maintenance of navigational aids, landing aids, and approach lighting systems are generally the responsibility of the government, as part of the "contract" that aviation passengers and general aviation pilots enter into through the payment of aviation excise taxes. The FAA has the responsibility to provide a national system of air traffic control equipment and services. The Committee believes that proposals to shift a subset of these responsibilities to airports is inappropriate and could result in the diminution of aviation safety, since airports are neither staffed nor funded to assume ownership, operation, or maintenance of such equipment. The procurement and maintenance of such equipment should remain a financial responsibility of the FAA, and the agency should not move forward on any proposal to transfer this responsibility without specific Congressional authorization. The Committee has seen at least one instance this year where FAA suggested that landing aids and ATC equipment for a control tower should be financed by the local airport. The Committee reiterates that this is inconsistent with direction provided last year.

ENGINEERING, DEVELOPMENT, TEST AND EVALUATION

The Committee recommends \$462,722,000 for engineering, development, test and evaluation, an increase of \$69,892,000 (16.2 percent) above the fiscal year 1998 enacted level. Adjustments from the budget request are explained below.

Advanced technology development and prototyping.—The Committee recommends \$45,857,000 for a new activity, "Advanced technology development and prototyping". Previously these activities were budgeted in the Research, Engineering and Development (RE&D) appropriation under activities titled "Capacity and air traffic management technology" and "Communications, navigation and surveillance". The Committee believes that, because these activities fit closely with follow-on activities funded in F&E, management could be improved if they were funded together in F&E. These ac-

tivities are funded at the budget request levels, except for the "Flight 2000" project, for which no funds are provided. The Committee does not intend for this budget adjustment to change the authorizing committee of jurisdiction in the House, which has historically been the Committee on Science. For that reason, these activities are recommended in a single new program, rather than dispersed throughout the F&E appropriation.

Flight 2000.—Once again this year, the Committee recommends no funds for this project, a reduction of \$90,000,000 from the budget estimate. In last year's report, the Committee observed that the FAA was not yet ready to begin such an ambitious and expensive undertaking, had not decided on the sites for the project, and had not achieved industry consensus. Regrettably, the Committee reaches the same conclusion this year as well. Although the FAA has made significant progress in the planning for this program, it is apparent that many of the major decisions which would help justify such a large initial investment are not scheduled until after this year's appropriations process is complete. Only two months ago, the Aircraft Owners and Pilots Association—a major participant in this project—requested that FAA redesign Flight 2000, saying the program "has been viewed within FAA as a Christmas tree, with program offices clambering to hang their ornaments so they can share in anticipated Flight 2000 funding". While not opposed per se to the concept of this project, the Committee requires more detailed information before approving such an expensive undertaking. The Committee also notes that the program is not authorized. The Committee will reconsider the program for funding again next year, once the pertinent justification documents are completed and reviewed.

En route automation.—The budget request of \$118,000,000 included \$46,000,000 for full-scale development of conflict probe and \$72,000,000 for replacement of the host computer system. The Committee recommendation for these items provides funding under Free Flight phase one, as requested by the FAA. Funding for conflict probe has been reduced to \$31,500,000 due to budget constraints and host replacement is funded at \$13,200,000. The Committee bill assumes that additional funding for host replacement, up to the requested level, will be made available for Year 2000 date change programs from a supplemental appropriation to be addressed later in the year.

Oceanic automation.—The Committee recommends no funding to continue this project due to escalating cost overruns and serious schedule slippage. Two years after FAA awarded a contract for development of the advanced oceanic automation system, the program appears to be in a state of chaos. Both the prime contractor and FAA acknowledge that there are schedule slippages and large cost overruns in this program. Given FAA's proposal in fiscal year 1998 to reprogram existing funds from this program, and the agency's decision this year to terminate phase two, it is far from clear whether the program is still cost-beneficial, or whether it can be sustained to its completion, given the increased cost. The recommendation to terminate this program results in a savings of \$13,700,000.

Next generation VHF air/ground communication system.—The Committee deletes the \$500,000 requested for this item due to lack of justification. The budget documents indicate that these funds are for activities such as “system transition planning” and “acquisition documentation development”. Those documents also state that future requirements are “under review”. Given this tremulous justification, the Committee defers funding at this time.

Free flight phase one.—The Committee recommends total funding of \$168,200,000 for several programs which have been collectively described by the FAA as “free flight phase one”. The Committee also recommends transferring those activities into a consolidated budget line, so that the program and its constituent elements may be more effectively monitored over time. The Committee recommendation for each of these projects and a comparison to both the original budget estimate and a budget amendment submitted (by letter) for these items, is as follows:

[In thousands of dollars]

Line item	Project	Original budget	Amendment	Total request	Committee recommended
1A04	Air Traffic Management	\$47,800	\$16,500	\$64,300	\$64,300
	(Passive FAST)	(24,100)	(16,500)	(40,600)	(40,600)
	(URET ADM)	(5,800)	(0)	(5,800)	(5,800)
	(CDM)	(10,600)	(0)	(10,600)	(10,600)
	(Other)	(7,300)	(0)	(7,300)	(7,300)
1A05	En Route Automation	118,000	0	118,000	44,700
	(Conflict Probe)	(46,000)	(0)	(46,000)	(31,500)
	(Host Replacement)	(72,000)	(0)	(72,000)	(13,200)
1A06	Aeronautical Datalink	16,500	6,500	23,000	23,000
	(CPDLC)	(9,200)	(6,500)	(15,700)	(15,700)
	(Other)	(7,300)	(0)	(7,300)	(7,300)
TBD	Initial SMA	0	6,000	6,000	6,000
TBD	FFPI Integration	0	8,000	8,000	8,000
2A05	WARP	20,000	2,200	22,200	22,200
	Total	202,300	39,200	241,500	168,200

The Committee supports the purpose of this program, which is designed to develop simultaneously a number of technologies which would provide safety and capacity benefits for both general aviation and commercial airline passengers. This program is the recommendation of the NAS Modernization Task Force convened by the Administrator last year, and later an RTCA Free Flight Select Committee. The Committee believes the FAA should be congratulated for the consensus it reached in developing free flight phase one. The Committee agrees that accelerating a subset of FAA’s overall modernization program is the best way to speed new technologies to the field.

Local area augmentation system (LAAS).—The recommendation reflects a transfer of \$675,000 from the operations appropriation to more appropriately reflect the nature of telecommunications costs being incurred. These funds are now included under “Next generation navigation and landing system”, as explained below.

Next generation navigation and landing systems.—The Committee recommends total funding of \$129,875,000 for a new budget line titled “Next generation navigation and landing systems”, which includes funding for the wide area augmentation system

(WAAS). A comparison of the Committee recommendation to the budget estimate is as follows:

Project	FY99 budget	Committee recommended
WAAS research and development	\$101,500,000	\$80,000,000
WAAS procurement (#2D09)	16,000,000	---
WAAS telecommunications (transfer from ops)	22,700,000	22,700,000
LAAS research and development	6,500,000	6,500,000
LAAS telecommunications (transfer from ops)	675,000	675,000
Instrument landing system (ILS)	---	10,000,000
Tactical landing system (TLS)	---	5,000,000
LORAN navigation system	---	5,000,000
Total	147,375,000	129,875,000

(a) *Wide area augmentation system.*—The Committee recommends total funding of \$102,700,000 for continued development of the GPS wide area augmentation system (WAAS). This is 73 percent of the \$140,200,000 requested, and compares to \$152,830,000 provided last year. Since Congressional action on the budget last year, the FAA announced that sole means navigation using WAAS may not be possible due to technical uncertainties regarding solar disturbances, the possibility of signal jamming, and issues surrounding continuity of the signal. Although the FAA is still researching this issue, the IG testified this year that “in our opinion, some type of backup system for WAAS will be needed for the foreseeable future . . . because of significant unresolved issues and the relatively fluid state of program definition, we plan to continue monitoring the WAAS program”. The General Accounting Office reported earlier this year that a large portion of the WAAS benefits are calculated amounts of very small passenger time savings—averaging thirty seconds per passenger. In past years, both the Volpe Transportation Systems Center and the GAO concluded that the use of such savings in cost-benefit studies was highly questionable.

The apparent softness in program benefits combined with newly-announced uncertainty over the total cost to achieve these capabilities makes the Committee wary of proceeding at the current pace in this program. The technical uncertainties make clear that WAAS is still very much a developmental program—and one in which future costs could rise significantly to address technical issues. The Committee is supportive of continued WAAS research, but at a slower pace. The Committee recommends \$80,000,000 to continue this work, with a special focus not on hardware procurement and installation, or on phase II and III activity, but on resolving the research issues which continue to surround the program. The bill also includes the transfer of \$22,700,000 from the operations budget for telecommunications costs related to WAAS.

It is clear that, after the agency decides whether or not a backup system is required, a new benefit-cost analysis will be required to revalidate the WAAS investment, and that such analysis should consider the costs and benefits to users of *all* systems affected. For example, the decision on a backup system has ramifications not only for the FAA, but also for the Coast Guard, which currently operates (and would pay to decommission) the Loran navigation sys-

tem, which is used primarily by maritime users. In addition, concerns over the adequacy of WAAS as a sole means of navigation stem in part from the findings of the President's Commission on Critical Infrastructure Protection and on jamming issues which have national security implications far beyond the FAA. For these reasons, the Committee directs that the decision on a WAAS backup system be made by the Secretary of Transportation, in consultation with the FAA and other affected organizations.

The bill also includes language prohibiting the FAA from signing a lease for WAAS satellite services until the FAA administrator certifies to the House and Senate Committees on Appropriations that the FAA has completed a lease versus buy analysis which indicates that such lease will result in the lowest overall cost to the agency. For many years, DOT appropriations Acts have included a provision which limits the agency's ability to obligate funds under general multiyear procurement authority in advance of appropriations. This type of control is in place to ensure that the agency does not commit the government too far in advance of Congressional review and appropriations. The Committee is especially sensitive on this point with the FAA, which has a history of proceeding too quickly into procurement. For fiscal year 1999, the FAA has suggested a new twist on this old theme. The agency has proposed that, for WAAS satellite communication services, the agency would sign a contract for the development, installation, and checkout of satellite payloads, the pro rata share of launch costs, and routine operating costs, but allow all these costs to be rolled into a single annual service charge, to be funded from the operating budget. The Committee believes this would set a dangerous precedent of using operating funds for items which are, upon detailed analysis, little more than traditional acquisition activities. In addition, FAA's analysis indicates such a lease may be as much as \$200,000,000 more expensive than other alternatives, partly to compensate a prime contractor for the risks in this approach. The Committee is highly doubtful that the operating budget would be able to sustain such a program in the outyears, especially if the agency continues to pay operating and maintenance costs for today's systems as well.

For these reasons, the Committee insists that the distinction be kept between the operating and capital budgets, and that the agency not commit the government in advance of appropriations through leases which include significant elements traditionally defined as acquisition or procurement.

(b) *Instrument landing systems (ILS).*—The Committee recommends \$10,000,000 for continued procurement of instrument landing systems. The Committee believes that, given the uncertainties in the WAAS program, the FAA should continue procuring ILS systems and install them at those locations with the highest cost-benefit. It is important to add such funds this year, because the existing contract expires in December 1998.

(c) *Tactical landing systems.*—The recommendation includes \$5,000,000 for procurement of tactical landing systems.

(d) *Loran navigation system.*—The recommendation includes \$5,000,000 for continued upgrade of the Loran navigation system.

PROCUREMENT OF AIR TRAFFIC CONTROL FACILITIES AND EQUIPMENT

The bill includes \$839,784,800 for the procurement of air traffic control facilities and equipment, a reduction of \$49,943,200 (5.6 percent) below the fiscal year 1998 enacted level.

En route automation.—The recommended bill includes \$166,700,000 for this program. Reductions are due to budget constraints and the need to fund higher priority projects. A comparison of the budget estimate to the Committee recommendation for activities in this project follows:

Activity name	FY99 budget	Committee recommendation	Change to request
DSR deployment	\$173,600,000	\$153,600,000	— \$20,000,000
En route SW dev and support	7,000,000	4,000,000	— 3,000,000
Flight data input/output	2,100,000	2,100,000	---
Host/DARC/Pamri sustainment	9,000,000	5,000,000	— 4,000,000
HID/CD LAN	4,700,000	2,000,000	— 2,700,000
General reduction	— 1,100,000	---	---
Total	195,300,000	166,700,000	— 28,600,000

ARTCC building improvements.—The recommended bill includes \$49,800,000 for this program. Reductions are due to budget constraints and the need to fund higher priority projects. A comparison of the budget estimate to the Committee recommendation for activities in this project follows:

Activity name	FY99 budget	Committee recommendation
ARTCC improvements	\$45,000,000	\$40,000,000
Honolulu CERAP relocation	17,100,000	8,000,000
Security	1,500,000	1,500,000
Regionally originated projects	331,600	300,000
Total	63,931,500	49,800,000

Voice switching and control system (VSCS).—The Committee recommends \$7,500,000 for VSCS, a reduction of \$7,000,000 to the budget estimate. The Committee believes that upgrades to this already-commissioned system can proceed at a slower pace in order to fund other requirements.

Air traffic management.—The recommendation provides \$29,403,300 for this program, a reduction of \$15,196,700 below the budget estimate. The Committee believes a slower pace is appropriate for the TFM infrastructure project, given the need to fund higher priority programs. Last year, the Committee recommended zero for this project.

Terminal doppler weather radar (TDWR).—The Committee remains concerned that FAA has not installed a TDWR system or otherwise provided adequate windshear protection for the New York City metropolitan area. The Committee understands that the record of decision for the proposed TDWR at the former Brooklyn Coast Guard Air Station is expected this autumn, and that the system could be commissioned six to eight months after that decision. The Committee has watched year after year of delay go by in this program, and insists that FAA adhere to this schedule.

Dallas/Fort Worth radar displays.—The Committee is aware that, because of the volume of air traffic in the terminal airspace around the Dallas/Fort Worth (DFW) metropolitan area, there is a significant problem of “data tag overlap”. The data tags are displays of information provided to controllers. When a large number of aircraft are being displayed in a confined area, the data tags overlap and cannot be read easily. Vital aircraft information becomes obscured and very difficult to read by air traffic controllers. The Committee is aware that FAA is considering the possibility of including Dallas/Fort Worth in the STARS early deployment capability, and received funds in fiscal year 1998 for that effort. The Committee strongly encourages the FAA to analyze this potential safety issue and address the deficiency as soon as possible.

Terminal automation.—The Committee recommends \$121,600,000 for acquisition of standard terminal automation replacement system (STARS) workstations, which is 90 percent of the \$135,300,000 requested. When combined with funds provided for engineering development, the total amount in the bill for the STARS program is \$196,300,000, or 93.5 percent of the amount requested. This makes STARS the largest single item in FAA’s capital budget for fiscal year 1999. The reduction of \$13,700,000 represents costs for the last 4 of the 17 STARS systems in the 1999 budget, as well as a pro rate share of the implementation and maintenance costs associated with those systems. The Committee notes that FAA is now estimating a six month delay in implementation at virtually all STARS sites due to development problems and cost growth. The Committee believes that procurement should proceed at a slower pace until the development problems are resolved. The Committee remains very supportive of this program, especially the early display capability, and hopes the agency can meet its current March 1999 implementation schedule.

Low cost ASDE technologies.—The Committee continues to support FAA’s development of low cost airport surface detection equipment (ASDE) systems, especially given the heightened importance of reducing runway incursions. The Committee encourages FAA to make a near-term decision among competing technologies in order to field this advanced technology as soon as possible, and to include funding in future budget requests to develop and implement low cost ASDE systems. The Committee is especially pleased with the results of recent testing of phased array radar technology at Norfolk International Airport in Virginia.

Terminal air traffic control facilities replacement.—The Committee recommends \$58,725,000 for this program, a reduction of \$23,575,000 from the budget estimate. Changes to the budget estimate are as follows:

Location	Fiscal year 1999 budget	Committee rec- ommended	Change to request
Port Columbus, OH	\$50,000	\$750,000	+\$700,000
Newark, NJ	14,275,000	---	– 14,275,000
LaGuardia, NY	10,000,000	---	– 10,000,000
Total .....	.....	.....	– 23,575,000

Port Columbus, OH.—The Committee believes that design work for this new tower should be accelerated, and therefore provides the full amount needed for that work.

Newark, NJ.—The President's budget request assumed the reprogramming of previously provided funds during fiscal year 1998. However, those funds were not reprogrammed. Therefore, these fiscal year 1999 funds are no longer needed.

LaGuardia, NY.—FAA estimates that the commissioning for this new control tower will not occur for almost four years. Given this, and the fact that FAA is still performing site studies, the Committee believes that \$10,000,000 for construction is premature.

New Castle County Airport, Delaware.—The Committee understands that FAA has suggested the sponsor of the New Castle County Airport in Delaware should finance not only the cost to design and construct a new control tower at that airport, but also approximately \$2,300,000 for FAA's overhead, equipment and administrative costs to oversee the project. In addition, the FAA has suggested that the sponsor should reimburse the agency approximately \$1,000,000 for overhead costs related to relocation of the FAA's VHF omni-directional range (VOR) at the airport, even though the current lease indicates the FAA should bear the costs. While the Committee is aware that the FAA has budget difficulties, it is clear that these "soft" costs are the agency's responsibility. The Committee directs the FAA to assume these costs at New Castle County Airport, which are estimated at approximately \$3,300,000. The Committee believes that, when an airport sponsor is willing to finance the significant cost of constructing a control tower for the FAA, the agency should not impose additional overhead costs on that sponsor.

Terminal voice switch replacement/enhanced terminal voice switch.—The Committee recommends \$9,000,000 a large increase over the \$1,640,000 provided for fiscal year 1998 but less than the \$11,500,000 requested. The reduction is due to budget constraints, and is without prejudice to the overall program. The Committee is concerned about the continuing delays in the TVSR program, which is several years behind the original schedule. Given the large increase in funding over fiscal year 1998, the Committee believes funds are sufficient to continue both of the existing production sources during fiscal year 1999, and the Committee encourages FAA to continue both sources in order to maintain competition in this program.

Chicago tracon.—According to the budget justifications, these funds are needed "to resolve environmental or airspace issues that arise as a result of rerouting air traffic * * * and to resolve community concerns through final airspace simulations and modeling". The Committee believes that such projects can be funded out of the operating account since they apparently do not involve justification for construction of a new facility. The Committee recommends no funding for this work, a reduction of \$500,000 from the budget estimate.

Northern California metroplex.—The Committee recommends \$21,700,000 for this project, the same amount as last year. The budget estimate included \$27,600,000.

NAS infrastructure management system (NIMS).—The recommendation holds funding for this program to the fiscal year 1998 level due to budget constraints. This results in a reduction of \$4,000,000 from the budget estimate.

ASR-9.—The proposed reduction of \$3,800,000 would delete funds for a system upgrade. The Committee is not certain that upgrading this system is a high priority, given development of the new digital radar, ASR-11.

Terminal facilities integration.—The Committee is unclear about the specific purpose of this small program, and is concerned that it may duplicate integration work budgeted in the individual program budgets. The recommendation defers the \$5,600,000 requested until the program is more fully justified.

Terminal digital radar (ASR-11).—The Committee recommends \$62,200,000 for the ASR-11 program, a reduction of \$3,900,000 from the budget estimate. Since submission of the budget, the schedule for the STARS deployment program has slipped approximately six months, according to FAA program officials. Since this program is paced by the STARS implementation schedule, a portion of this work will not be needed until the following fiscal year.

Weather systems processor.—The recommended reduction of \$2,900,000 would delete funds to upgrade the five limited production units. FAA does not plan to award the base contract until September 1998. It seems premature to the Committee to budget for upgrades to systems which haven't even been procured or produced yet. The reduction is without prejudice.

OASIS.—The Committee recommends \$22,500,000, a reduction of \$3,000,000 from the budget estimate. Funding of \$3,900,000 was provided in fiscal year 1998. The reduction is due to budget constraints and is without prejudice. The Committee continues to support the need for this program.

Automated weather observing system (AWOS).—The Committee has considered requests this year to fund weather observing systems at the FAA, including the automated weather observing system (AWOS) and the advanced surface observation system (ASOS). Although these are meritorious systems, the Committee bill does not include funds above the budget request for either system due to budget constraints. However, the Committee notes that the Senate-reported bill does include additional funds for the ASOS system. While the Committee is declining to fund either system above the budget request at this time, it is the Committee's strong position that, if additional funding is provided in final conference action later this year for either of these systems, an equitable distribution of additional funds must be provided for both.

Flight service station modernization.—In the original President's budget request, the FAA requested \$2,000,000 for this program. However, in a budget amendment submitted on June 4, 1998, the agency recommended reducing the program to \$1,000,000 to provide additional funds for the free flight phase one program. The Committee notes that there are few items in the F&E program which are of direct benefit to the general aviation community, and this is one of them. The recommendation keeps funding at the original request, an addition of \$1,000,000 to the amended request.

VOR/DME/TACAN.—An additional \$3,000,000 is recommended specifically for the FAA to relocate and elevate the current VORTAC facility in Vernon Hills, Illinois. In addition, \$700,000 is to replace or repair the VOR in Gainesville, Florida, which was recently damaged by floods.

Instrument landing systems, establish.—The Committee recommends \$16,500,000 for this program and expects that funds will be distributed as follows:

<i>Location or activity</i>	<i>Amount</i>
Installation of previously-procured systems	\$7,800,000
Fresno International Airport, CA: upgrade category I ILS to category II	3,500,000
Stanly County Airport, NC: ILS obstruction zone, aeronautical easement	1,000,000
Everett-Stewart Airport, TN-ILS and DME	200,000
Zanesville Airport, OH: ILS	300,000
March Airfield, CA: upgrade category I ILS to category II	3,700,000
Total	16,500,000

Fresno International Airport.—The Committee bill makes \$3,500,000 available for the FAA to upgrade the Fresno Yosemite International Airport's current category I instrument landing system to a category II ILS/GPS system. This airport is constantly subjected to a phenomenon known as "Tule fog" during early and late winter months. Tule fog levels are often at approximately 150 feet above ground level, which does not permit aircraft operations using category I ILS. As a result, shippers and airlines are often forced to delay or cancel services, which causes them to incur substantial losses. The upgrade to a category II system will permit aircraft to land with 100 feet of visibility, and would go far towards remedying this situation.

March Airfield.—The bill includes \$3,700,000 to upgrade the lighting and navigational aids of this airfield to achieve a category II landing capability. This includes \$1,000,000 for mark 20 localizer and glideslope equipment; \$850,000 for an approach lighting system with sequential flashing lights (ALSF); \$800,000 for centerline lighting and touchdown zone equipment; and \$1,050,000 for other associated project costs.

Navigation and landing aids, improvement.—The small reduction of \$761,700 is due to budget constraints. The Committee recommendation is \$2,000,000 for this program.

Approach lighting system improvement.—The recommended increase of \$5,000,000 is intended for the additional procurement of approach lighting system-flashing (ALSF)—4 equipment.

Precision approach path indicators.—The recommended increase of \$3,000,000 is for FAA to procure additional precision approach path indicator (PAPI) lighting systems. Funding of \$3,500,000 was provided for this purpose in fiscal year 1998.

Radar outages, Kansas City.—The Committee encourages the FAA to continue working with federal, state, and local officials and air traffic controllers to resolve recent radar outage problems at the Kansas City International Airport and the Kansas City air route traffic control center. The recent visit by the FAA administrator and a GAO audit requested by Congress make the Committee hopeful that a solution to these problems will be found quickly.

PROCUREMENT OF NON-ATC FACILITIES AND EQUIPMENT

The Committee recommends \$183,800,000 for the acquisition of non-air traffic control facilities and equipment, an increase of \$113,151,000 (160.2 percent) above the level enacted for fiscal year 1998 and \$9,000,000 more than the President's budget estimate.

Explosive detection systems (EDS).—The Committee bill includes the \$100,000,000 requested for procurement of additional explosive detection systems. However, the Committee is troubled by a recent report and Congressional testimony of the Office of Inspector General, which found that the existing machines are being severely underutilized, and that the commercial airlines have not budgeted for the continuing operation and maintenance of the systems. The Committee would point out that, although the Federal Government has long been involved in developing and (recently) acquiring these machines, the underlying responsibility has always been—and remains today—that of the airlines. Ensuring that an aircraft and its passengers are safe from explosives is the legal responsibility of the commercial air carriers. Although the Federal Government can and will assist the airlines in this area, the Committee does not accept that by providing such funds for a short period of time the government is assuming this new role. By contrast, the Committee believes the airlines should want the additional security afforded by these new systems, and believes that airline passengers welcome those improvements as well.

Although the bill includes funds to continue this program, the Committee believes it is necessary to include provisions in the bill which prohibit the obligation of any funds for additional bulk explosive detection systems until thirty days after the FAA administrator certifies, in writing, that the major air carriers responsible for providing airport security agree to: (a) begin assuming the operations and maintenance costs of such machines beginning in fiscal year 1999; and (b) substantially increase the usage of such machines. The Committee also requests the Inspector General to review this certification and provide an independent view to the Congress.

Information security.—The Committee recommends \$7,000,000 for this area in fiscal year 1999, an increase of \$5,000,000 above the budget request. The Committee believes this is an important area of concern which requires a higher level of attention and more budgetary resources.

DSR training simulator.—The bill includes \$4,000,000 for the Mid-America Aviation Resource Consortium to continue procurement of a display system replacement (DSR) air traffic control simulator compatible with new DSR systems now being installed in en route centers nationwide. The same amount was provided in fiscal year 1998. This new DSR training simulation system at MARC will enable new controllers to be trained to operate the DSR system when it becomes fully operational in ARTCCs across the nation in the year 2000.

MISSION SUPPORT

The recommendation provides \$263,043,200 for mission support activities. Funding of \$288,960,000 was provided in fiscal year 1998. Adjustments to the budget estimate are explained below.

Resource tracking program.—This small project was reduced in the budget amendment from \$1,000,000 to \$500,000. Given the increasing importance of cost accounting and performance measurement to the agency, the Committee believes this small reduction should be restored. Funding of \$1,000,000 is recommended.

Center for advanced aviation systems development (CAASD).—The Committee believes the request for CAASD contract is inadequate, given the increased demands on the organization over the past year. The budget request would result in a 12 percent reduction in technical staffing. The Committee appreciates the work of CAASD in support and oversight of FAA programs, and recommends an increase of \$7,093,200. This should allow CAASD to retain approximately the current level of staffing.

The Committee also directs CAASD not to take on work in the URET project, or in other projects, which is programmatic in nature. This includes such work as software development or documentation; processing of software changes; and assistance in “evolutionary development” activities for individual programs. CAASD discontinued such work several years ago at the request of the Committee, and now focuses on higher-level analyses which are of higher priority to the agency and which utilize more fully their specific expertise and unique relationship with the agency.

The Committee is also very supportive of CAASD’s recent assistance in the financial planning area, and encourages the organization to continue and expand this work, especially in long-range planning and conceptualization for the operations budget.

Year 2000 computer issues.—The Committee recommends \$21,600,000 for this program, a reduction of \$14,440,000 from the budget estimate. The bill assumes that the balance of required funding will be made available from a supplemental appropriation to be addressed later in the year. Also, Congress recently provided \$25,000,000 for this purpose in a fiscal year 1998 supplemental appropriations Act.

PERSONNEL AND RELATED EXPENSES

The recommendation provides \$250,650,000, an increase of \$17,440,000 above the budget estimate. The increase, as previously explained under FAA “Operations”, involves a transfer of funding for certain acquisition program offices from the operating account to this appropriation.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 1998	\$199,183,000
Budget estimate, fiscal year 1999	290,000,000
Recommended in the bill	145,000,000
Bill compared with:	
Appropriation, fiscal year 1998	– 54,183,000
Budget estimate, fiscal year 1999	– 145,000,000

This appropriation provides funding for long-term research, engineering and development programs to improve the air traffic control system and to increase its safety and capacity to meet air traffic demands of the future, as authorized by the Airport and Airway Improvement Act and the Federal Aviation Act. The appropriation also finances the research, engineering and development needed to establish or modify federal air regulations.

COMMITTEE RECOMMENDATION

The Committee recommends \$145,000,000, a reduction of \$145,000,000 below the President's budget request and \$54,183,000 below the fiscal year 1998 enacted level. Most of the reduction (93.7 percent) is accounted for by a deferral of the flight 2000 project (– \$90,000,000) and a transfer of certain activities to the "Facilities and equipment" appropriation (– \$45,857,000) which has been previously explained in an earlier section of this report.

While still the safest airway system in the world, aviation accidents in this country in 1994 and 1996 highlight the need for more rapid implementation of advanced safety technologies, especially those related to forecasting and detection of hazardous weather conditions such as windshear, safety monitoring and oversight technologies, and aircraft technologies. The high percentage of accidents and incidents due to human error, deicing, and other hazardous weather problems call for sustained, high priority research programs to address these issues. In some cases, these priorities have necessitated reductions in other research programs.

Reprogramming actions.—According to a recent IG report, the FAA made several funding changes in its execution of the fiscal year 1998 appropriation about which the Committee should have been advised. In system development and infrastructure, for example, Congress reduced the request by \$1,700,000. However, the FAA put back \$542,000 (32 percent) of this amount internally. The agency also increased airport technology funding by 25 percent above the approved level. Congress raised funding for aircraft safety technology by \$10,210,000—and the FAA reprogrammed 24 percent of this amount to their own priorities. The Committee does not make its recommendations lightly, and is therefore quite concerned about the agency substituting its priorities for those of the Congress. The Committee intends to monitor this very closely during fiscal year 1999, and will consider placing all amounts directly in the bill in future years if Congressional allocations are not more closely followed.

A table showing the fiscal year 1998 enacted level, the fiscal year 1999 budget estimate, and the Committee recommendation follows:

RESEARCH, ENGINEERING, AND DEVELOPMENT
Fiscal Year 1999

	FY 1998	Budget	FY 1998
Program Name	Enacted	Estimate	House
System Development and Infrastructure	14,884,000	16,768,000	12,776,000
System planning & resource management	1,164,000	2,148,000	1,164,000
Technical laboratory facility	8,048,000	9,730,000	6,721,000
Center for Advanced Aviation System Development	5,444,000	4,890,000	4,890,000
Capacity and Air Traffic Management Technology	21,258,000	116,763,000	0
Air traffic management technology	2,986,000	3,287,000	0
Oceanic automation program	4,202,000	3,237,000	0
Runway incursion reduction	6,000,000	3,168,000	0
System capacity, planning and improvements	4,000,000	4,044,000	0
Cockpit technology	4,070,000	1,842,000	0
General aviation/vertical flight technology	0	2,802,000	0
Flight 2000	0	90,000,000	0
Operations concept validation	0	6,818,000	0
Software engineering R&D	0	1,805,000	0
Communications, Navigation & Surveillance	18,183,000	19,164,000	0
Communications	4,708,000	5,869,000	0
Navigation	13,397,000	8,696,000	0
Surveillance	0	4,290,000	0
Weather	16,300,000	12,384,000	15,284,000
Airport Technology	6,000,000	7,383,000	7,216,000
Aircraft Safety Technology	48,282,000	34,886,000	34,886,000
Aircraft systems fire safety	6,983,000	4,780,000	4,780,000
Advanced materials/structural safety	3,086,000	1,734,000	1,734,000
Propulsion and fuel systems	6,000,000	2,831,000	2,831,000
Flight safety/atmospheric hazards research	2,083,000	2,619,000	2,619,000
Aging aircraft	21,640,000	14,694,000	14,694,000
Aircraft catastrophic failure prevention research	4,000,000	1,787,000	1,787,000
Aviation safety risk analysis	6,641,000	6,471,000	6,471,000
System Security Technology	44,226,000	64,872,000	44,226,000
Explosives and weapons detection	34,200,000	39,646,000	34,200,000
Airport security technology integration	2,486,000	6,388,000	2,486,000
Aviation security human factors	5,640,000	5,282,000	5,640,000
Aircraft hardening	2,000,000	4,649,000	2,000,000
Human Factors & Aviation Medicine	26,688,000	22,228,000	26,616,000
Flight deck/maintenance/system integration human factors	12,660,000	9,903,000	12,660,000
Air traffic control/airway facilities human factors	10,000,000	8,287,000	10,000,000
Aeromedical research	4,000,000	4,029,000	4,086,000
Environment and Energy	2,891,000	3,391,000	3,088,000
Innovative/Cooperative Research	2,000,000	2,330,000	1,000,000
Total appropriation	199,183,000	290,000,000	145,000,000

SYSTEM DEVELOPMENT AND INFRASTRUCTURE

The recommended level is \$12,775,000 for system development and infrastructure, a reduction of \$1,879,000 (12.8 percent) below the fiscal year 1998 enacted level.

System planning and resource management.—The recommendation provides \$1,164,000, the same as the fiscal year 1998 enacted level.

Technical laboratory facility.—The recommendation allocates \$6,721,000, a reduction of \$1,318,000 below the level provided in fiscal year 1998. The reduction is necessary to fund higher priority activities in weather and human factors research.

WEATHER RESEARCH

The Committee recommendation includes \$15,284,000 for research to reduce aviation hazards of dangerous weather, the same level as enacted for fiscal year 1998 and \$3,000,000 (24.4 percent) above the budget request. A comparison of the Committee recommendation to the fiscal year 1998 enacted level and the President's budget request is as follows:

Project	FY 1998 enacted	FY 1999 budget	Committee recommendation
National laboratory program	\$8,367,000	\$9,118,000	\$9,118,000
Project Socrates	3,000,000	.....	3,000,000
Juneau windshear research	3,500,000	.....	.....
Center for Wind, Ice and Fog	500,000	(¹)	(¹)
Research operations	1,466,000	1,007,000	1,043,000
In-house personnel	800,000	848,000	848,000
Program office support	567,000	600,000	600,000
Technical center support	400,000	475,000	475,000
Cost benefit analysis	200,000	200,000	200,000
Adjustment	---	36,000	---
Total	15,300,000	12,284,000	15,284,000

¹ Included under the national laboratory program.

Within the funds provided, \$3,000,000 is to continue development of the windshear protection technology known as Project Socrates. This is the same level provided for fiscal year 1998. In addition, the bill includes language stipulating that no less than \$9,118,000 may be utilized for the National Laboratory Program, which is the level assumed in the budget request. The Committee continues to strongly support this work, which is coordinated by the National Center for Atmospheric Research (NCAR) and performed jointly by several universities, federal laboratories, and non-profit organizations prominent in the field of weather research. The Committee wishes to ensure that the appropriation for this work is not reprogrammed to other activities. The FAA is encouraged to continue the involvement of the Center for Wind, Ice and Fog at Mount Washington Observatory in New Hampshire under this program.

The Committee believes that FAA is not showing the necessary leadership or effectively managing its weather research and technology development programs, a finding supported by a recent GAO report. The Committee has, for many years, strongly encouraged FAA to raise the priority of weather programs in the budget and to reorganize in a fashion which can provide strong leadership.

The Committee directs the FAA to establish an integrated product team for weather programs and place in under the current “communications, navigation, and surveillance” organization.

AIRPORT TECHNOLOGY

The Committee recommends \$7,215,000, \$168,000 below the budget estimate and \$2,215,000 (44.3 percent) above the \$5,000,000 provided last year. These activities include runway pavement research and other research into civil engineering improvements at the nation’s airports.

AIRCRAFT SAFETY TECHNOLOGY

Overall, the Committee recommends \$34,886,000, the same as the budget estimate.

Propulsion and fuel systems.—The Committee understands that the FAA received a proposal under Propulsion Systems research to address inappropriate crew response to engine malfunction. Better engine models would be developed for flight simulator upgrades that permit the airlines to enhance their line-oriented flight training (LOFT) programs required by the FAA under its advanced qualifications program for air transport pilots. The Committee encourages the FAA to consider this proposal for funding in fiscal year 1998 or 1999.

Flight safety/atmospheric hazards research.—Of the \$2,619,000 provided, \$800,000 is to continue to address the problem of wildlife strikes by aircraft.

SYSTEM SECURITY TECHNOLOGY

Overall, the Committee recommendation provides \$44,225,000, the same as the fiscal year 1998 enacted level.

HUMAN FACTORS AND AVIATION MEDICINE

The Committee recommendation provides \$26,615,000, an increase of \$4,386,000 (19.6 percent) above the budget request and approximately the same level as last year. The Committee remains disappointed that, once again this year, the FAA has placed human factors research at or near the bottom of its research priorities, choosing instead to propose increases in the agency’s institutional laboratory capabilities, in-house research planning, and other similar activities. Once again this year, the Committee has rearranged those priorities in a manner which will advance aviation safety rather than institutional prerogatives.

Air traffic control/airway facilities human factors.—The recommendation provides \$10,000,000, an increase of \$1,703,000 (20.5 percent) above the budget request and the same level as last year. Of the funds provided, \$1,000,000 is for an agency-wide comprehensive survey of air traffic controller personnel, to determine the extent of fatigue among the workforce and the effect of current shift patterns and rotation practices. FAA should also use the additional funding provided to continue and expand the important work done at the Civil Aeromedical Institute (CAMI) regarding fatigue in the controller workforce.

Aeromedical research.—The recommendation provides \$4,065,000, which is \$36,000 above the budget request and \$65,000 (1.6 percent) above the level provided last year. The Committee continues to value the work performed in this project and conducted mainly at the Civil Aeromedical Institute in Oklahoma.

ENVIRONMENT AND ENERGY

The recommendation provides \$3,000,000, an increase of \$109,000 (3.8 percent) above the level provided last year. This program researches ways to mitigate the impact of airport noise around the country. The budget proposed \$3,391,000, an increase of 17.3 percent.

INNOVATIVE AND COOPERATIVE RESEARCH

The recommendation provides \$1,000,000, which is a reduction of \$1,000,000 below the level provided last year. The reduction is needed to fund higher priority activities in safety-related areas, including hazardous weather and human factors research. This program finances the FAA centers of excellence, the FAA fellows program, and other university-based research of long-term interest to aviation. The budget included \$2,330,000, an increase of 16.5 percent.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

	<i>Liquidation of contract authorization</i>	<i>Limitation on obliga- tions</i>
Appropriation, fiscal year 1998	\$1,700,000,000	(\$1,700,000,000)
Budget estimate, fiscal year 1999	1,600,000,000	(1,700,000,000)
Recommended in the bill	1,600,000,000	(1,800,000,000)
Bill compared with:		
Appropriation, fiscal year 1998	– 100,000,000	(+100,000,000)
Budget estimate, fiscal year 1999	---	(+100,000,000)

The bill includes a liquidating cash appropriation of \$1,600,000,000 for grants-in-aid for airports, authorized by the Airport and Airway Improvement Act of 1982, as amended. This funding provides for liquidation of obligations incurred pursuant to contract authority and annual limitations on obligations for grants-in-aid for airport planning and development, noise compatibility and planning, the military airport program, reliever airports, and other authorized activities. This is the same as the level requested in the President's budget.

LIMITATION ON OBLIGATIONS

The bill includes a limitation on obligations of \$1,800,000,000 for fiscal year 1999. This is \$100,000,000 (5.9 percent) above the President's budget request and \$100,000,000 above the fiscal year 1998 level.

A table showing the distribution of these funds compared to the fiscal year 1998 levels and the President's budget request follows:

Project	Fiscal year—		
	1998 enacted	1999 estimate	1999 recommended
Entitlements:	\$989,114,003	\$995,621,560	\$1,016,621,560
Primary airports	516,217,477	527,949,003	527,949,003
Cargo airports (2.5%)	42,500,000	42,500,000	45,000,000
Alaska supplemental	10,672,557	10,672,557	10,672,557
States (18.5%)	314,500,000	314,500,000	333,000,000
Carryover entitlement	105,223,969	100,000,000	100,000,000
Small Airport Fund:	111,250,757	113,767,800	113,767,800
Non-hub airports	74,167,171	75,845,200	75,845,200
Non-commercial service airports	37,083,586	37,922,600	37,922,600
Discretionary Set-Asides:	255,920,968	290,610,640	369,610,640
Noise (31% of discretionary)	200,000,000	211,054,936	252,661,603
Military airport program (4%)	26,000,000	51,590,063	71,866,730
GA/RE/CS	29,920,968	27,965,640	45,082,307
Other Discretionary:	343,714,272	300,000,000	300,000,000
Capacity/safety/security/noise	243,879,359	210,779,025	210,779,025
Small hubs	18,541,793	18,961,300	18,961,300
Remaining discretionary	81,293,120	70,259,675	70,259,675
Total limitation	¹ 1,700,000,000	1,700,000,000	1,800,000,000

¹ Includes cap on noise and military airport set-asides.

DISCRETIONARY GRANTS

Within the overall obligation limitation in this bill, \$669,610,640 is available for discretionary grants to airports. Within the obligation level recommended, the Committee directs that priority be given to grant applications involving further development of the following airports:

State	Airport (project)
Alabama	Isbell Field Municipal Airport (runway extension); Huntsville International (security system).
California	San Bernardino International Airport; Gnoss Field (runway extension); Stockton Metropolitan Airport (runway extension); March Airfield (refueling system conversion); Meadows Field Airport (terminal); Yucca Valley Airport (site study).
Florida	Orlando International (crossfield taxiways); Miami International.
Georgia	Peachtree Dekalb Airport (runway protection zone).
Illinois	Chicago Midway Airport (noise abatement).
Indiana	Porter County Municipal (runway extension); Griffith/Merrillville Airport (runway reconstruction).
Iowa	Sioux Gateway Airport.
Kansas	Kingman Airport (runway rehabilitation).
Louisiana	New Orleans International (EIS and new runway); New Orleans International (noise abatement); Baton Rouge (reconstruct taxiway "F").
Maryland	Baltimore-Washington International (glycol recovery facilities).
Michigan	Flint Bishop International (runway rehabilitation); Oakland-Pontiac International (noise abatement); Chippewa County Airport (new runway); Marquette Airport (relocation).
Mississippi	Belmont-Tishomingo County Airport.
New Jersey	Newark International.
New York	Greater Buffalo International (building demolition); Syracuse Hancock International Airport.
North Carolina	Piedmont Triad International (new runway).
Ohio	Rickenbacker International; Cleveland Hopkins International (runway expansion).
Rhode Island	T.F. Green Airport (noise abatement).
Texas	Cloverfield Airport; Ellington Field.
Utah	Salt Lake City International.
Wisconsin	La Crosse Municipal Airport (new runway).

Cloverfield Airport, TX.—The Committee is pleased to note that since 1989, the FAA has assisted numerous public and private entities in the planning and development of Cloverfield Airport, a privately-owned, public use, federal reliever airport to the commercial air carrier facility, Houston Hobby Airport. The FAA has helped

fund Cloverfield's feasibility study, airport master plan, site analysis and environmental assessment study. The FAA has also recognized the airport's importance by choosing it as a site for the doppler weather radar system and by making it one of the few general aviation facilities with a GPS weather station. Cloverfield is also home to the helicopter emergency evacuation service for Hermann Hospital Life Flight that serves the entire Houston Medical Center region.

Cloverfield, a 57-year-old facility, is now ready to undertake the safety improvements and airfield upgrades that have been designated in the FAA-approved layout plan. The airport recently submitted a grant application to the FAA's Airport Improvement Program for funding to widen, reconstruct, and strengthen the existing runway and construct parallel taxiway "A". The Committee considers these to be worthy projects that will provide significant safety benefits to Cloverfield Airport and its users, and urges the FAA to move forward expeditiously to fund these improvements in fiscal year 1999. The Committee also encourages the FAA to provide this funding directly to Cloverfield Airport.

Stockton Metropolitan Airport, CA.—The Committee wants to express continued support for AIP funding for the Stockton Metropolitan Airport, so that the airport can lengthen the runway. The Committee supported this project last year, but the FAA has not funded the project to date. Currently, the runway at Stockton is insufficient to handle wide-body cargo aircraft that are necessary to ship fresh produce overseas. The runway extension is vital to the export viability of California agricultural products. Furthermore, the AIP funding is necessary to prevent further deterioration of the runway. The application for AIP funding has the support of local officials. To assist their efforts, the Committee encourages FAA to fund the runway extension at Stockton Airport this year.

Ellington Field, Houston, TX.—Ellington Field in Houston, Texas is currently being considered for readmission into the military airport program (MAP). Ellington was a military facility for many years, and was in considerable disrepair when transferred to the City of Houston in 1984. Ellington Field has remained a joint use facility, with continued federal use and partial ownership. NASA, the Coast Guard, and the National Guard are all active at the airport. In addition, it is a general aviation airport, serves as a designated reliever, and is drawing considerable interest as an economic development site. However, the rehabilitation that was necessary could not be completed during Ellington's initial participation in MAP. The Committee recognizes that the backlog of work remaining from Ellington's military days is a significant problem and an impediment to the airport's ability to emerge as a self-supporting facility and a generator of substantial economic growth in the area. The Committee believes that Ellington Field presents exactly the kind of transition situation that MAP was created to assist, and encourages the FAA to approve the City of Houston's application for readmission into the MAP program.

New Orleans International Airport, LA.—The Committee encourages the FAA to consider signing a letter of intent for major capacity enhancement projects and the related environmental impact statement at New Orleans International Airport in Louisiana. In

addition, the FAA should give priority consideration to purchase the property in priority six as part of the noise mitigation buyout program at this airport. Priority six is outside the 75 LDN area; however, the area has been adversely affected sufficient to warrant purchasing non-compatible property to maintain the integrity of the neighborhood.

Flint Bishop International Airport, MI.—The Committee urges the FAA to give priority consideration to a request for discretionary funding for runway rehabilitation and new construction at the Flint Bishop International Airport in Michigan.

Oakland-Pontiac International Airport, MI.—The Committee encourages the FAA to give priority consideration to a request for discretionary funding for Oakland-Pontiac International Airport property acquisition in the west runway protection zone to enhance airport safety and to help relocate residents living in the noise zone.

Buffalo Airport Center, NY.—The Committee encourages the FAA to give priority consideration to a request for discretionary funding for airside safety-related building acquisition and demolition activities at the Buffalo Airport Center in New York.

Huntsville International Airport, AL.—The Committee understands that Huntsville International Airport has submitted an application to the FAA to fund the design and construction of an airport security system and control center. The Subcommittee recognizes the need for this airport security system and control center and urges the FAA to fund these projects.

Gnoss Field, Marin County, CA.—The Committee urges the FAA Administrator to give priority consideration to a request for discretionary funding for the extension of the runway to 4,500 feet in order to increase the operating safety for all aircraft using Gnoss Field.

T.F. Green Airport, RI.—The Committee urges the FAA Administrator to give priority consideration to a request for discretionary funding for noise mitigation projects at T.F. Green Airport in Rhode Island.

Chippewa County Airport, MI.—The Committee urges the FAA Administrator to give priority consideration to a request for discretionary funding for the design and construction of a crosswind runway at Chippewa County Airport near Kincheloe, Michigan. The Committee understands that a feasibility study has determined that a new crosswind runway is vital to continue safe flight operations at the airport.

Cleveland Hopkins International Airport, Cleveland, OH.—The Committee urges the FAA Administrator to give priority consideration to a request for discretionary funding for site and engineering studies for the proposed runway expansion at the Cleveland Hopkins International Airport.

La Crosse Municipal Airport, WI.—The Committee urges the FAA Administrator to give a high priority to awarding discretionary funds for reconstruction of the airport runway and repair of the approach lighting system towers at La Crosse Municipal Airport in La Crosse, Wisconsin.

Miami International Airport, Miami, FL.—The Committee recognizes the need for capacity enhancements at Miami International Airport and urges the FAA Administrator to take steps to award

discretionary funding for the fourth runway, including issuing a record of decision by October 1998 and entering into a three-year \$104.3 million letter of intent with the Miami-Dade Aviation Department.

Peachtree DeKalb Airport, GA.—The Committee urges the FAA Administrator to give priority consideration to a request for discretionary funding for noise mitigation projects at Peachtree DeKalb Airport, Georgia.

Midway Airport, Chicago, IL.—The Committee urges the FAA Administrator to give priority consideration to a request for discretionary funding for noise abatement projects at Midway Airport, Chicago, Illinois.

Marquette Airport, MI.—The Committee recognizes the benefits of relocating the Marquette Airport to the former Air Force Base, K.I. Sawyer, and urges the FAA Administrator to give priority consideration to awarding discretionary funding for this purpose.

Yucca Valley Airport, CA.—The Committee is concerned with actions taken by the FAA regarding the Yucca Valley Airport in California. Due to the need for a viable general aviation airport in Yucca Valley/Joshua Tree, the Committee expects the FAA to conduct an unbiased site selection study for this area which includes the current airport in Yucca Valley. This is similar to direction provided last year, and the Committee is insistent that the FAA follow these directions.

DENVER INTERNATIONAL AIRPORT—NOISE MITIGATION

The City and County of Denver, Colorado, as well as many of the surrounding counties affected by noise from the Denver International Airport (DIA), formed the Denver International Airport Study Coordination Group to commission a study on aircraft noise and make recommendations for changes in DIA operations. This study, titled “A Study of the Noise Impact of aircraft Operation in the Denver, Colorado Area”, has now been completed. The study indicates that changes in flight paths at DIA, Centennial Airport, and Buckley Air National Guard Base could substantially reduce aircraft noise in Front Range areas. The Committee instructs FAA to work with the DIA Study Coordination Group, the DIA noise abatement office, and other affected Colorado communities to identify measures, including changes in flight patterns, which would reduce aircraft noise. In addition to considering average noise levels (particularly in communities with average noise levels over 65 LDN), the FAA shall address the specific noise problems related to single noise events, low background noise, and the higher altitude of Colorado communities.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

The bill rescinds \$5,000,000 in contract authority which is not available for obligation under currently-assumed obligation limitations. This is not expected to effect ongoing airport development programs, and is due to budget constraints.

AVIATION INSURANCE REVOLVING FUND

Once again this year, the bill continues language authorizing the Secretary of Transportation to make expenditures and investments for aviation insurance activities out of the aviation insurance revolving fund and authorized under chapter 443 of title 49, United States Code, within the limits of funds made available pursuant to 49 U.S.C. 44307.

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

The bill includes a zero obligation limitation on borrowings during fiscal year 1999 under the aircraft purchases loan guarantee program. This is the same as the budget estimate.

ADMINISTRATIVE SERVICES FRANCHISE FUND

When this effort was initiated two years ago, Congress made it clear that the program was considered to be on a trial basis, and that cost savings must be demonstrated in the near-term for Congressional support to be maintained. In denying the request originally, this Committee's June 1996 report stated "should the FAA provide convincing evidence that such an entity will save significant administrative costs, the Committee will consider such proposal in future years". House conferees agreed to establish the fund later that year, but made clear that this was only on a trial basis, and that efficiencies and cost savings would be monitored closely. When no such savings were identified by mid-1997, the Committee recommended restrictions on the program. However, the restrictions were dropped in conference in lieu of a report detailing cost savings from the program. After eight months, the FAA recently submitted a two-page report which concluded that the agency "recognized no measurable cost savings in fiscal year 1997 as a result of the franchise fund". The Committee believes the agency has had ample time to prove the benefit of this fund, and has been unable to do so. Therefore, the bill includes a provision prohibiting the FAA from continuing the Administrative Services Franchise Fund during fiscal year 1999.

FEDERAL HIGHWAY ADMINISTRATION

The Federal Highway Administration provides financial assistance to the states to construct and improve roads and highways, enforces federal standards related to interstate motor carriers and the highway transport of hazardous materials, and provides technical assistance to other agencies and organizations involved in road building activities. Title 23 and other supporting legislation provide authority for the various activities of the Federal Highway Administration. Funding is provided by contract authority, with program levels established by annual limitations on obligations provided in appropriations Acts.

As discussed earlier in this report, the Transportation Equity Act for the 21st Century (TEA21) amended the Budget Enforcement Act to provide two additional discretionary spending categories, one of which is the highway category. This category is comprised of all federal-aid highway funding, motor carrier safety funding, National

Highway Traffic Safety Administration (NHTSA) highway safety grant funding and NHTSA highway safety research and development funding. The highway category obligations are capped at \$25,883,000,000 and outlays are capped at \$21,885,000,000 in fiscal year 1999. If appropriations action forces highway obligations or outlays to exceed these levels, the difference is charged to the non-defense discretionary spending category. In addition, if highway account receipts exceed levels specified in TEA21, automatic adjustments will be made to increase or decrease obligations and outlays for the highway category accordingly.

The Committee's recommendation fully comports to and does not exceed the levels guaranteed by TEA21. The following table summarizes the program levels of the various programs within the Federal Highway Administration for fiscal year 1998 enacted, the fiscal year 1999 budget request and the Committee's recommendation:

Program	1998 enacted	1999 request	1999 recommended
Federal-aid highways	\$21,500,000,000	\$21,500,000,000	\$25,511,000,000
Exempt federal-aid programs	1,597,000,000	1,265,000,000	1,211,614,000
Emergency relief program supplemental	(259,000,000)	.....	.....
Motor carrier safety grants	84,825,000	100,000,000	.....
Appalachian development highway system	300,000,000	.....	.....
State infrastructure banks .....	.....	150,000,000	.....
Transportation infrastructure credit program .....	.....	100,000,000	.....
Total	23,481,825,000	23,115,000,000	26,722,614,000

LIMITATION ON GENERAL OPERATING EXPENSES

Limitation, fiscal year 1998 ¹	(\$522,266,000)
Budget estimate, fiscal year 1999	(521,883,000)
Recommended in the bill	(318,733,000)
Bill compared with:	
Limitation, fiscal year 1998	(- 233,533,000)
Budget estimate, fiscal year 1999	(- 203,150,000)

¹ Excludes reductions of \$610,000 for TASC.

This limitation controls spending for the salaries and expenses of the Federal Highway Administration required to conduct and administer the federal-aid highways programs and most other federal highway programs. In the past, this limitation included a number of contract programs, such as highway research, development and technology; however, the Transportation Equity Act for the 21st Century (TEA21) created a separate limitation for transportation research. Accordingly, in fiscal year 1999 costs related to highway research, development and technology are included under a separate limitation.

The Committee recommends a limitation of \$318,733,000. This amount is \$8,175,000 above comparable amounts provided for fiscal year 1998 and \$22,530,000 below the level requested in the budget. The recommendation assumes a reduction from 1998 enacted levels of 78 full time equivalent positions for a total of 3,087. The Committee recommendation includes \$52,530,000 for motor carrier safety operations, to be transferred to the National Highway Traffic Safety Administration to carry out the functions of the office of motor carriers. The recommended level assumes the following adjustments to the budget request:

Undistributed reduction in GOE administrative expenses	-\$6,000,000
Defer funding for national differential global positioning system ..	-9,654,000
Delete funding for nationwide personal transportation survey	-1,500,000
Delete funding for national rural development program support ..	-500,000
Disapprove transfer to Appalachian Regional Commission	-3,000,000
Transportation needs study in the National Parks and federal lands	+2,000,000
Undistributed reduction in motor carrier administrative expenses	-2,853,000

Undistributed reduction in GOE administrative expenses.—The Committee recommendation includes a reduction of \$6,000,000 in administrative expenses and provides FHWA the flexibility to allocate that reduction among such expenses as ADP, permanent change of station, travel, transportation and non-mandatory bonuses and incentives.

The Committee's allowance includes sufficient funds for the planned reorganization of the FHWA regional offices and staff, which shall be completed expeditiously and in the manner set forth in the department's reorganization plan outlined to Congress dated February 24, 1998. This includes eliminating nine regional offices, creating four technical resource centers in their place, and giving maximum delegations of authority to the state-level division offices. The FHWA is directed to submit to the House and Senate Committees on Appropriations a detailed implementation plan by September 30, 1998, and to provide periodic reports thereafter. In allocating the available administrative funds, the Administrator shall ensure that expenses related to the reorganization are fully met before distributing funds for lower priority activities such as travel, bonuses, strategic planning, and training.

Nationwide differential global positioning system (DGPS).—The Committee has deleted funds requested for the nationwide differential global positioning system (–\$9,654,000). Funds appropriated for similar activities last year have yet to be expended as there have been delays in implementing the interagency agreements. Specifically, the Committee has deleted funds an alternative civil frequency for the GPS, known as L5. In terms of transportation needs, the primary benefit of the requested investment would have accrued to the FAA. The Committee believes that it is inappropriate to fund this activity from the highway trust fund. Furthermore, the Committee understands that the Department of Defense has agreed to fund costs associated with L5.

The Committee has also deleted funds for the DGPS system because the primary benefit of the investment in the near-term would accrue to many other federal agencies. Furthermore, there is little, if any evidence of the pressing need for a substantial departmental investment in DGPS to support the national ITS program or the development of positive train-control rail systems. The Committee also remains concerned that the total costs for construction, operation and maintenance of DGPS over the next fifteen years could exceed \$90,000,000 and that costs to develop and implement the L5 frequency have not been reliably determined but could require \$100,000,000 to \$200,000,000.

The Committee maintains that these expenses should not be derived solely from the highway trust fund or other departmental accounts. Recognizing potential the importance of both DGPS and L5 to a wide array of strategic national purposes, the Secretary should

seek to obtain funding from other federal agencies and sources and possibly other modal administrations. The department is directed to submit a report to the House and Senate Committees on Appropriations as part of the fiscal year 2000 budget justification identifying the long-term costs, benefits, and cost-sharing that might be reasonably expected for both DGPS and L5. The likely financial role of the states, other federal agencies, and the private sector in those systems should be clearly specified in terms of expected cash and in-kind contributions. The report should also address the role that DGPS will play in the national ITS program and in the development of positive train control systems. Both near-term (next five years) and long-term (next twenty years) needs should be considered. The costs/benefits of further investing in DGPS for transportation purposes, and an analysis of the actual number of highway crashes in which emergency responders are substantially delayed because of an inability to obtain exact crash locations, should also be addressed in the report.

Nationwide personal transportation survey.—The Committee has not included funding within the limitation on general operating expenses for the nationwide personal transportation survey (–\$1,500,000). Funding for this activity shall be available within the contract authority provided under the limitation on transportation research.

National rural development program support.—The Committee has deleted funding requested for the department's share of the national rural development program (–\$500,000). This program is a government-wide initiative/partnership, led by the Department of Agriculture, and is a network of rural development leaders and officials committed to the vitality of rural areas. The Committee has deleted funds for this activity for the last several years. None of the funds available to the FHWA shall support this activity in fiscal year 1999.

Administrative activities of the Appalachian Regional Commission.—The Committee has deleted funding requested to transfer \$3,000,000 to the Appalachian Regional Commission to cover the administrative activities associated with the Appalachian development highway system (ADHS). Funds provided for the administrative expenses of the Appalachian Regional Commission in the fiscal year 1999 Energy and Water Development Appropriations Act, as approved by the House, are sufficient to administer the ADHS program in fiscal year 1999.

Transportation needs in the national parks and related public lands.—The Committee has included \$2,000,000 to carry out section 3039 of the Transportation Equity Act for the 21st Century. Within the funds provided, the Secretary is directed to undertake a comprehensive study of alternative transportation needs in the national parks and related public lands managed by federal land management agencies, and to implement activities and contracts associated with the memorandum of understanding between the departments of the Interior and Transportation dated November 25, 1997.

The Committee is pleased that the department has entered into a memorandum of understanding (MOU) with the Department of the Interior. This MOU has the potential to be a model of inter-

agency cooperation. The Committee understands that the national parks have significant transportation needs, and that the Department of Transportation, not the Department of the Interior, has the expertise in developing and implementing transportation projects. Accordingly, the Federal Highway Administration, particularly the Federal Lands division, and the Federal Transit Administration are directed to work cooperatively with each other and the Department of the Interior and the National Park Service in addressing the unique transportation requirements of the national parks.

Further, the Committee directs the Federal Highway Administration and the Federal Transit Administration to review the transportation alternatives considered by the National Park Service in the Grand Canyon and Yosemite national parks to determine if all necessary and appropriate transportation planning, development, environmental and alternative analyses have been conducted to support the alternatives selected by the National Park Service. The Committee expects that the independent assessment be concluded and the results of the assessment transmitted to the House and Senate Committees on Appropriations by April 1, 1999.

Inspector General audit cost reimbursement.—In addition to auditing the FHWA financial statement, office of inspector general (OIG) resources have traditionally been used for other financial audits related to the highway trust fund. For example, in the past year the OIG issued major reports on the emergency relief program and unexpended obligations on completed and inactive projects and Boston's Central Artery project. The Committee has found this work extremely useful and directs the OIG to continue such efforts. Since these financial reviews directly relate to efficient and effective use of the highway trust fund, the Committee directs that \$750,000 be transferred from the FHWA's administrative takedown authorized by section 104(a) of title 23 to the office of inspector general.

Motor carrier.—The Committee has provided \$52,530,000 for motor carrier safety operations, which is a reduction of \$2,853,000 from the budget request but an increase of three percent over the fiscal year 1998 enacted level. The office of motor carriers (OMC) has the flexibility to allocate this reduction among such expenses as travel, transportation, equipment, and other services. Within the total, the Committee expects OMC to initiate work on the rest area and shipper responsibility studies as authorized under the Transportation Equity Act for the 21st Century, as well as begin developing a separate hazardous materials safety evaluation area for SafeStat. No more than \$50,000 should be allocated to the truck safety forum and no funds should be provided to the evaluation of the performance-based MCSAP because the department has the flexibility to provide funds for this activity using national priority funds from the MCSAP account.

The Committee has included bill language that transfers the funds made available for the operations and activities of the office of motor carriers to the National Highway Traffic Safety Administration. The Committee believes that the office of motor carriers serves a vital safety oversight function, the activities of which are much more closely aligned with those of the National Highway Traffic Safety Administration than those of the Federal Highway

Administration. The Committee directs that as part of the Federal Highway Administration's reorganization that the office of motor carriers be relocated within the National Highway Traffic Safety Administration.

The Committee is concerned about OMC's tardiness in issuing final rules. It seems highly doubtful that final decisions on a major revision to the hours of service regulations or on the zero-based review will be issued within congressional deadlines. Also, it remains unclear if and when final rules will be issued on training requirements for entry-level drivers and longer-combination vehicles.

The Committee is also concerned about the vitality and vigor of OMC's compliance program. The number of federally-conducted compliance reviews has decreased 33 percent from fiscal year 1995 to 1997. Likewise, the number of compliance orders and consent orders issued to problem carriers has significantly declined in recent years. These proven enforcement strategies have been used effectively for many years. The Committee believes that OMC should re-focus its efforts in these areas in light of the increasing number of fatal crashes and fatal crash rates involving commercial vehicles.

The Committee remains concerned about the progress of the motor carrier regulatory relief and safety demonstration project and strongly urges the Secretary to substantially revise the project's requirements to ensure that there is sufficient carrier participation to ensure a valid pilot test.

The Committee directs that the presentation of the OMC operating budget be improved substantially. The Committee expects that the budget justifications for fiscal year 2000 will include a complete description of the proposed activities, associated funding levels, and a break out of comparable activities for the prior two fiscal years. In future budget justifications, all continuing, new, and terminated activities and associated amounts all be clearly specified and related to the performance goals and measures of the OMC. The Research and Special Programs Administration's budget justification for the office of pipeline safety serves as an illustrative example of a more informative presentation.

LIMITATION ON TRANSPORTATION RESEARCH

Limitation, fiscal year 1998 ¹ .....	.....
Budget estimate, fiscal year 1999 ¹ .....	.....
Recommended in the bill	(\$409,150,000)
Bill compared with:	
Limitation, fiscal year 1998	(+409,150,000)
Budget estimate, fiscal year 1999	(+409,150,000)

¹ Resources available in fiscal year 1998 and requested in fiscal year 1999 were included under the limitation on general operating expenses.

This limitation controls spending for the transportation research and technology contract programs of the Federal Highway Administration. This limitation includes a number of contract programs including intelligent transportation systems, surface transportation research, technology deployment, training and education, and university transportation research. In the past, funding under this limitation was provided in part from the limitation on general operating expenses and from contract authority provided in permanent law. The Committee recommends a limitation of \$409,150,000. This is the same level as authorized by TEA21.

Within the appropriate research areas, FHWA is directed to fund each of the research activities or programs specified in various sections of TEA21. The Committee expects the FHWA to request the Research and Technology Coordinating Committee (RTCC) of the National Academy of Sciences to review and comment on the FHWA's plans for initial implementation of all new research and technology contract programs that were not previously funded under the limitation on general operating expenses.

The Committee further directs the department to submit annual justifications for the limitation on transportation research and the entire transportation research and technology contract program at the same level of detail provided in the fiscal year 1999 congressional justifications for similar programs.

Within the funds provided for surface transportation research, the Committee recommends that \$65,000,000 be allocated for highway research and development for the following activities:

Safety	\$12,235,000
Pavements	11,300,000
Structures	15,200,000
Environment	5,600,000
Real estate services	365,000
Policy	6,400,000
Planning	4,000,000
Motor carrier	6,400,000
Advanced research	2,000,000
Highway operations	1,500,000
Total	65,000,000

Within the funds provided for highway research and development, the Committee has provided up to \$100,000 for the San Joaquin Valley air quality study.

Safety.—The safety research and technology program develops engineering practices, analytic tools, equipment, roadside hardware, and safety promotion and public information that will significantly contribute to the reduction of highway fatalities and injuries. The Committee recommends \$12,235,000 for safety research and development activities. FHWA shall implement a comprehensive research and technology program that will ensure that safety research and deployment activities receive at least the same total amount of funds that contract and LGOE monies provided during fiscal year 1997.

Pavements.—The pavement research and technology program identifies engineering practices, analytic tools, equipment, roadside hardware, and safety promotion and public information that will significantly contribute to the reduction of highway fatalities and injuries. For fiscal year 1999, the Committee recommends \$11,300,000.

Structures.—The structures research and technology program develops technologies, advanced materials and methods to efficiently maintain and renew the aging transportation infrastructure, improve existing infrastructure performance, and enable efficient infrastructure response and quick recovery after major disasters. For fiscal year 1999, the Committee recommends \$15,200,000.

Environment.—The environment research and technology develops improved tools for assessing highway impacts on the environment; techniques for the avoidance, detection, and mitigation of

those impacts and for the enhancement of the environment; and expertise on environmental concerns within FHWA and state and local transportation agencies. for fiscal year 1999, the Committee recommends \$5,600,000.

Real estate services.—The real estate research and technology program improves the public's access to activities, goods and services through developing: improved tools for assessing highway impacts on property owners and displaced persons; innovative techniques in acquiring real property; and right-of-way acquisition expertise within the FHWA and local transportation agencies. For fiscal year 1999, the Committee recommends \$365,000.

Policy research.—The policy research and technology program supports FHWA policy analysis and development, strategic planning, and technology development through research in data collection, management and dissemination; highway financing, investment analysis, and performance measurement; and enhancing highway program contributions to economic productivity, efficiency, and other national goals. The Committee recommends \$6,400,000 for policy research, including \$1,800,000 for the National Personal Transportation Survey (NPTS). The Committee is not convinced of the need to update the NPTS continuously and FHWA should plan on completing the next edition of that study as soon as practicable. Sufficient funds to initiate more than one half of the project are provided. FHWA should develop a work plan being certain to limit the scope and size of the NPTS to essential questions of importance to both the states and Federal Government users.

Planning.—The planning research and technology program advances cost effective methods to evaluate transportation strategies and investments; develops and disseminates improved planning methods; develops more effective planning and data collection techniques for intermodal passenger and freight planning and programming; improves financial planning tools for use in developing transportation plans and programs; evaluates the characteristics of the National Highway System; and develops improved analytical tools to support metropolitan and statewide planning and for information and data sharing with state and local governments. The Committee's allowance includes \$4,000,000 for planning research, including \$1,000,000 for modifying the TRANSIMS to be useable for ITS purposes. None of the funds made available in the surface transportation research subaccount shall be used to conduct research related to sustainability and its role in transportation planning.

Motor carrier research.—The motor carrier research and technology program seeks to reduce the number and severity of commercial driver-caused crashes, fatalities and injuries, and hazardous materials incidents by employing the results of long-term human factors research, data collection and analyses to generate effective means of education, outreach and wellness promotion for all drivers. The program is designed to: achieve increased state participation in motor carrier compliance and enforcement activities, while increasing carrier operational efficiency; lower the motor carrier industry's regulatory compliance costs; and promote the medical fitness of drivers. The Committee has provided \$6,400,000 for motor carrier research.

Advanced research.—The advanced research program addresses longer-term, higher risk research that shows potential benefits for improving the durability, efficiency, environmental impact, productivity, and safety of highway systems. The Secretary is directed to ensure that FHWA is delegated the responsibility to manage and coordinate this important program. Because of its years of experience in promoting advanced research, its depth of technical expertise and contacts with the university community, and the close relationship between its mission and the stated legislative purposes of the advanced research program in TEA21, FHWA is the most appropriate entity to manage the advanced research program within the department. FHWA is expected to seek appropriate input from other modal administrations in project selection. Additional funds for the program are to be derived from appropriate accounts.

Technology assessment and deployment.—The technology assessment and deployment program identifies and assesses innovative research results, technology, and products and promotes the application of those advances that are determined to be of potential benefit to the highway community by providing increased productivity, safety, and operations. Within the funds provided for surface transportation research, the Committee recommends \$14,000,000 for technology assessment and deployment activities. The Committee directs that at least \$2,600,000 of those funds be used for traffic and motor carrier activities, and \$4,000,000 for safety and design, as requested in the budget. That allocation will ensure sufficient funds for the necessary deployment of key safety initiatives.

For many years, the Committee has supported the development and initial deployment of integrated highway safety information systems. Partially as a result of FHWA's highway safety information system project, eight states have improved their analytical capabilities. FHWA is encouraged to assist an increased number of states that wish to deploy integrated information systems. One way to accomplish that objective would be to expedite the technology transfer of reliable data systems by developing and demonstrating an integrated safety information system (ISIS) model. The ISIS model will demonstrate the benefits to safety management of linking data on crashes, highway infrastructure inventory, traffic information flows, motor carriers, and medical outcomes (EMS, emergency medical departments, and hospital discharge). The FHWA is expected to work with states to encourage improved, linked data systems and to seek proposals from state agencies which would like to implement the ISIS model. The Committee expects that a substantial portion of the national technology deployment program funds will be used to achieve specific high payoff safety objectives, including improved safety of driving at night and other periods of reduced visibility or activities to reduce run-off-the-road crashes. FHWA should be prepared to report back to the Committee next year on specific and measurable safety and other goals.

Research and technology support.—Within the funds provided for surface transportation research, the Committee recommends \$7,500,000 for research and technology support. Research and technology support funds information sharing on planned research activities, research in progress, and research results nationwide in order to avoid duplication of efforts, identified voids where further

work is needed, and disseminates research results to advance the state-of-the-art and the state-of-the-practice in transportation. TEA21 reduces the small business innovative research costs of the program. Consequently, the Committee recommends a \$2,500,000 reduction in support funds because of the recent change in law and the need to reduce other support costs.

ITS standards, research, operational tests and development.—The Committee recommends that the \$95,000,000 provided in TEA21 for ITS research be allocated in the following manner:

Research and development	\$38,000,000
Operational tests	17,000,000
Evaluation	6,000,000
Architecture and standards	18,000,000
Mainstreaming	6,000,000
Program support	10,000,000
Total	95,000,000

Research and development.—The research and development program supports the research and development of new ITS technologies to improve the safety, mobility, and productivity of the surface transportation system. Because similar funds are provided under various provisions specified in TEA21, funds for the ITS research centers of excellence have been deleted. The Committee's allowance specifies that \$6,000,000 shall be allocated for commercial vehicle research, and includes funds to advance and test the expansion of the mailbox project to involve a third region of the country, and to conduct research leading towards advances in roadside inspection technology. Funds for ITS/grade crossing work have been deleted because of the availability of prior year funding. Evidence of strong industry financial participation in the intermodal freight research project will be essential to continue funding in that area.

The Committee directs the director of the joint program office to ensure that the primary federal role in the intelligent vehicle initiative (IVI) is focused on expediting the innovation of integrated crash avoidance technologies for passenger vehicles. In view of the substantial human factors research, performance specification work, crash avoidance and information systems integration, and cost/benefit assessment work that remains to be completed, an IVI program focused on those critical safety issues is of foremost importance. Consequently, the Committee recommends \$20,000,000 for research and development to advance crash avoidance technologies for passenger vehicle operators and related human factors research. Such activities as automation of transit vehicles, snow removal systems, and other highway maintenance vehicles and research on non-safety components of the IVI should receive a much lower priority than critical safety objectives. In carrying out research into crash avoidance, the Committee encourages the JPO to work with George Washington University and Louisiana State University.

The recent NAS review of the automated highway systems program underscored the need for periodic, outside review of major projects such as the IVI. Within the funds provided, the director of the JPO shall ensure that an external review of the emerging IVI program is periodically conducted at least once every two years and the results of that review are made widely available. The Commit-

tee further directs the director of the JPO to prepare a five-year strategic plan documenting the future challenges, scope and direction of the IVI program. The plan shall be submitted to the House and Senate Committees on Appropriations as part of the budget justification for fiscal year 2000.

The Committee notes that TEA21 provides for \$1,300,000,000 for ITS programs and projects over the next six years. The department is obligated to ensure that these funds are used efficiently and effectively to develop the nation's future transportation system. The Inspector General is directed to audit the program and expenditure of funds provided for ITS activities to ensure that they are used in the most cost-effective and efficient manner, consistent with federal law and regulation.

Operational tests.—The operational tests program provides a bridge between research and development and large-scale deployment through the technical testing of ITS technologies and by addressing institutional barriers. The Committee's allowance includes \$10,000,000 requested for operational testing of intelligent passenger vehicles. Funding for IVI work on commercial vehicles is limited to a maximum of \$2,500,000. Limited success and actual application of other drowsy driving detection or fatigue management initiatives previously supported by OMC suggest a cautious approach.

Evaluations program.—The evaluations program provides a rigorous analysis of the costs and benefits of ITS user services and the overall impact of the ITS program through the evaluation of operational tests, tracking of ITS deployments, and the assessment of ITS programs and policies. The Committee recommends \$6,000,000 for program evaluation studies and recognizes the importance of continuing to evaluate the benefits and costs of various ITS projects and tracking progress on those projects. Funds for policy assessments shall be limited \$1,500,000 or less.

Architecture and standards.—The architecture and standards program provides for the maintenance, enhancement and application of the national ITS architecture and the development and testing of ITS standards. The Committee recommends \$18,000,000 for architecture and standards work. The director of the JPO is urged to make maximum use of the leverage provided in the reauthorization statute to ensure the implementation of the standards necessary for interoperability.

The Committee encourages the JPO to work with states and municipalities to ensure that intelligent transportation systems developed and deployed with federal funds are interoperable and can be adopted to provide seamless transportation services, particularly on interstate highways.

Mainstreaming.—The mainstreaming program supports training and technical guidance for federal, state, and local professionals charged with implementing integrated ITS systems. The Committee continues to assert that the department is spending too much of its scarce ITS resources trying to convince planners, the engineering community and others of the benefits of ITS. There is substantial literature documenting the benefits of building "smarter" using ITS; numerous training courses and programs are well underway; and the ITS concept is beginning to be mainstreamed in

the transportation community. Consequently, the Committee's allowance deletes funds for grass roots involvement (–\$535,000), eliminates funds for cooperation with transit companies (–\$350,000), and reduces funds for commercial vehicle operations mainstreaming to a maximum of \$500,000. The Committee recommendation also reduces funding for planning/policy mainstreaming activities to less than \$1,000,000 and denies funds to establish the role of ITS in supporting FHWA/FTA mobility goals. The Committee also denies funds for ITS awareness and advocacy (–\$2,000,000). Publication funds should be included as an integral part of related activities. Remaining mainstreaming funds shall be used to provide technical assistance on the planning, procurement, and implementation of integrated ITS technologies, offer guidance on the use of the national architecture, and supplement critical training not available from the private sector or universities.

Joint program office.—The Committee wishes to repeat its longstanding interest in ensuring that the department continues to maintain the joint program office (JPO) as the coordinating entity of federal involvement in the national ITS program. The Committee directs that the JPO continue to have final budgetary authority over the allocation of ITS funds among the various modes and projects. It is essential that the JPO ensures that cross cutting issues are addressed, human factors research is coordinated, evaluation efforts are comprehensive and focused, and priorities are analytically determined so that national interests are served rather than any specific modal interest. The Committee believes that the only way to achieve those objectives is to maintain the JPO as an independent entity within the department. Given the intermodal nature of ITS, the director of the JPO shall continue to report to the Deputy Secretary as well as the FHWA Administrator. The Secretary is directed to ensure that not less than 17 positions are allocated to the JPO during fiscal year 1999.

National ITS program plan.—The Committee looks forward to receiving as soon as possible an update of the national ITS program plan, which shall be prepared in a manner consistent with the requirements of Section 5205 of TEA21. In developing the plan, the director of the JPO shall make effective use of the federal advisory committee for intelligent transportation systems.

ITS deployment projects.—It is the intent of the Committee that the following projects contribute to the integration and interoperability of intelligent transportation systems in metropolitan and rural areas as provided under section 5208 of the TEA21 and promote deployment of the commercial vehicle intelligent transportation system infrastructure as provided under section 5209 of the TEA21. These projects shall conform to the requirements set forth in these sections, including the project selection criteria contained in section 5208(b) and the priority areas outlined in section 5209(c), respectively. Funds provided in TEA21 for ITS deployment activities are to be made available as follows:

<i>Project</i>	<i>Amount</i>
Amherst/Northampton, Massachusetts	\$1,000,000
Arlington County, Virginia	750,000
Blacksburg, Virginia	2,000,000
Centre Valley, Pennsylvania	1,000,000

<i>Project</i>	<i>Amount</i>
Cleveland, Ohio	2,000,000
Corpus Christi, Texas	1,000,000
Dade County, Florida	2,000,000
Del Rio, Texas	1,500,000
Fairfield, California	1,000,000
Fitchburg, Massachusetts	500,000
Greater metropolitan capital region, DC	8,000,000
Hammond, Louisiana	6,000,000
Houston, Texas	2,500,000
Huntington Beach, California	1,000,000
Huntsville, Alabama	1,000,000
Inglewood, California	2,250,000
Laredo, Texas	2,000,000
Las Vegas, Nevada	2,000,000
Middlesboro, Kentucky	6,000,000
Mission Viejo, California	2,000,000
New Orleans, Louisiana	2,000,000
New York City, New York	5,000,000
Pearl River County, Mississippi	1,000,000
Port Angeles, Washington	500,000
Riverside County, California	2,000,000
San Francisco, California	3,000,000
Scranton, Pennsylvania	2,000,000
Silicon Valley, California	3,000,000
Springfield, Virginia	500,000
State of Idaho	1,000,000
State of Maryland	3,000,000
State of Minnesota	12,000,000
State of New York	5,000,000
State of North Dakota	1,500,000
State of Utah	5,000,000
State of Washington	500,000
Temucula, California	250,000
Tucson, Arizona	1,000,000
Volusia County, Florida	2,000,000
Warren County, Virginia	250,000
Wausau-Stevens Point-Wisconsin Rapids, Wisconsin	1,000,000
White Plains, New York	1,000,000

FEDERAL-AID HIGHWAYS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1998	\$20,800,000,000
Budget estimate fiscal year 1999	23,000,000,000
Recommended in the bill	24,000,000,000
Bill compared with:	
Appropriation, fiscal year 1998	+3,200,000,000
Budget estimate, fiscal year 1999	+1,000,000,000

The Committee recommends a liquidating cash appropriation of \$24,000,000,000. This is an increase of \$3,200,000,000 over the fiscal year 1998 enacted level and is needed to pay the outstanding obligations of the various highway programs at levels anticipated in TEA21. This appropriation is mandatory and has no scoring effect.

FEDERAL-AID HIGHWAYS PROGRAMS

Federal-aid highways and bridges are managed through a federal-state partnership. States and localities maintain ownership and responsibility for maintenance, repair and new construction of roads. State highway departments have the authority to initiate

federal-aid projects subject to FHWA approval of plans, specifications, and cost estimates. The federal government provides financial support for construction and repair through matching grants, the terms of which vary with the type of road.

There are almost four million miles of public roads in the United States and approximately 577,000 bridges. The Federal Government provides grants to states to assist in financing the construction and preservation of about 945,000 miles (24 percent) of these roads, which represents an extensive interstate system plus key feeder and collector routes. Highways eligible for federal aid carry about 85 percent of total U.S. highway traffic.

The recently-passed Transportation Equity Act for the 21st Century (TEA21) reauthorized highway, highway safety, transit, and other surface transportation programs through fiscal year 2003. The TEA21 builds on programs and other initiatives established in the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991, the previous major authorizing legislation for surface transportation programs.

Under the TEA21, Federal-aid highways funds are made available through the following major programs:

National highway system.—The ISTEA of 1991 authorized—and the National Highway System Designation Act of 1995 subsequently established—the National Highway System (NHS). This 163,000-mile road system serving major population centers, international border crossings, intermodal transportation facilities and major travel destinations, is the culmination of years of effort by many organizations, both public and private, to identify routes of national significance. It includes all Interstate routes, other urban and rural principal arterials, the defense strategic highway network, and major strategic highway connectors, and is estimated to carry up to 75 percent of commercial truck traffic and 40 percent of all vehicular traffic. A state may choose to transfer up to 50 percent of its NHS funds to the surface transportation program category. If the Secretary approves, 100 percent may be transferred. The federal share of the NHS is 80 percent, with an availability period of 4 years.

Interstate maintenance.—The 46,000 mile Dwight D. Eisenhower National System of Interstate and Defense Highways retains a separate identity within the NHS. This program finances projects to rehabilitate, restore, resurface and reconstruct the Interstate system. Reconstruction of bridges, interchanges, and over-crossings along existing interstate routes is also an eligible activity if it does not add capacity other than high occupancy vehicle (HOV) and auxiliary lanes.

All remaining Federal funding to complete the initial construction of the Interstate system has been provided through previous highway legislation. The TEA21 provides flexibility to States in fully utilizing remaining unobligated balances of prior Interstate Construction authorizations. States with no remaining work to complete the Interstate system may transfer any surplus Interstate Construction funds to their Interstate maintenance program. States with remaining completion work on Interstate gaps or open-to-traffic segments may relinquish Interstate construction fund eli-

gibility for the work and transfer the federal share of the cost to their Interstate maintenance program.

Surface transportation program.—The Surface Transportation Program (STP) is a very flexible program that may be used by the states and localities for any roads (including NHS) that are not functionally classified as local or rural minor collectors. These roads are collectively referred to as Federal-aid highways. Bridge projects paid with STP funds are not restricted to Federal-aid highways but may be on any public road. Transit capital projects are also eligible under this program. The total funding for the STP may be augmented by the transfer of funds from other programs and by minimum guarantee funds under TEA21 which may be used as if they were STP funds. Once distributed to the states, STP funds must be used according to the following percentages: 10 percent for safety construction, 10 percent for transportation enhancement, 50 percent divided among areas of over 200,000 population and remaining areas of the State, and 30 percent for any area of the state. Areas of 5,000 population or less are guaranteed an amount based on previous funding, and 15 percent of the amounts reserved for these areas may be spent on rural minor collectors. The federal share for the STP program is 80 percent with a 4-year availability period.

Bridge replacement and rehabilitation program.—This program is continued by the TEA21 to provide assistance for bridges on public roads including a discretionary set-aside for high cost bridges and for the seismic retrofit of bridges. Fifty percent of a state's bridge funds may be transferred to the NHS or the STP, but the amount of any such transfer is deducted from the national bridge needs used in the program's apportionment formula for the following year.

Congestion mitigation and air quality improvement program.—This program provides funds to states to improve air quality in non-attainment and maintenance areas. A wide range of transportation activities are eligible, as long as DOT, after consultation with EPA, determines they are likely to help meet national ambient air quality standards. TEA21 provides greater flexibility to engage public-private partnerships, and expands and clarifies eligibilities to include programs to reduce extreme cold starts, maintenance areas, and particulate matter (PM-10) nonattainment and maintenance areas. If a state has no non-attainment or maintenance areas, the funds may be used as if they were STP funds.

Federal lands highways.—This program provides authorizations through three major categories—Indian reservation roads, parkways and park roads, and public lands highways (which incorporates the previous forest highways category)—as well as a new category for Federally owned public roads providing access to or within the National Wildlife Refuge System. TEA21 also establishes a new program for improving deficient bridges on Indian reservation roads.

Minimum guarantee.—Under TEA21, after the computation of funds for major Federal-aid programs has been completed, additional funds are distributed to ensure that each State receives an additional amount based on equity considerations. This minimum guarantee provision ensures that each State will have a return of

90.5 percent on its share of contributions to the highway account of the Highway Trust Fund. To achieve the minimum guarantee each fiscal year, \$2.8 billion nationally is available to the States as though they are STP funds (except that requirements related to set-asides for transportation enhancements, safety, and sub-State allocations do not apply), and any remaining amounts are distributed among core highway programs.

Emergency relief.—This program provides for the repair and reconstruction of Federal-aid highways and Federally-owned roads which have suffered serious damage as the result of natural disasters or catastrophic failures. TEA21 restates the program eligibility specifying that emergency relief (ER) funds can be used only for emergency repairs to restore essential highway traffic, to minimize the extent of damage resulting from a natural disaster or catastrophic failure, or to protect the remaining facility and make permanent repairs. If ER funds are exhausted, the Secretary of Transportation may borrow funds from other highway programs.

High priority projects.—TEA21 includes 1,850 high priority projects specified by the Congress. Funding for these projects totals \$9.5 billion over the 6 year period with a specified percentage of the project funds made available each year. Unlike demonstration projects in the past, the funds for TEA21 high priority projects are subject to the Federal-aid obligation limitation, but the obligation limitation associated with the projects does not expire.

Appalachian development highway system.—This program makes funds available to construct highways and access roads under section 201 of the Appalachian Regional Development Act of 1965. Under TEA21, funding is authorized at \$450,000,000 for each of fiscal years 1999–2003; is available until expended and distributed based on the latest available cost-to-complete estimate.

National corridor planning and border infrastructure programs.—TEA21 established a new national corridor planning and development program that provides funds for the coordinated planning, design, and construction of corridors of national significance, economic growth, and international or interregional trade. Allocations may be made to corridors identified in section 1105(c) of ISTEA and to other corridors using considerations identified in legislation. The coordinated border infrastructure program is established to improve the safe movement of people and goods at or across the U.S./Canadian and U.S./Mexican borders.

Discretionary highway grants.—The General Accounting Office, in an audit requested by the Committee, found that during fiscal years 1995 through 1997, the administrator of the FHWA selected a declining proportion of discretionary highway projects that staff evaluated as most cost effective. This was particularly evident in the public lands highway program. Specifically, the GAO found that the FHWA awarded more projects and total funding for projects in Congressional districts with Democratic incumbents even though states requested more funds for projects in districts with Republican incumbents. In fact, in fiscal year 1997, the FHWA awarded nearly all the projects and most of the funds to projects in democratic districts. The Committee is troubled by GAO's finding and is particularly disturbed by the fact that the office of the administrator was unable to provide a detailed expla-

nation as to why the FHWA awarded a disproportionate amount of projects and funding to Democratic districts. The Committee therefore directs the FHWA to develop specific merit-based criteria for the awarding of discretionary highway funds, including the federal lands program.

Proceeds from the sale or lease of real property.—The Committee finds that the language in section 156 of title 23 of the United States Code permitting an exception for “a social, environmental, or economic purpose” can be applied to providing parking for the Louisiana Stadium and Exposition District provided improvements by the District are in accordance with maintenance and operational needs of the highway facility affected.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, fiscal year 1998 ¹	(\$21,500,000,000)
Budget estimate, fiscal year 1999	(21,500,000,000)
Recommended in the bill	(25,511,000,000)
Bill compared with:	
Limitation, fiscal year 1998	(+4,011,000,000)
Budget estimate, fiscal year 1999	(+4,011,000,000)

¹Excludes reductions of \$657,000 for TASC.

The accompanying bill includes language limiting fiscal year 1999 federal-aid highways obligations to \$25,511,000,000, an increase of \$4,011,000,000 over the 1998 enacted level and the budget request. The recommended level is the level assumed in TEA21. These funds are guaranteed under the new highway funding category.

Although the following table reflects an estimated distribution of obligations by program category, the bill includes a limitation applicable only to the total of certain federal-aid spending. The following table indicates estimated obligations by program within the \$25,511,000,000 provided by this Act and additional resources made available by permanent law:

FEDERAL-AID HIGHWAYS ESTIMATED OBLIGATIONS

[In thousands of dollars]

Programs	FY 1997 actual	FY 1998 estimated obligations	FY 1999 estimated obligations
Subject to limitation:			
National highway system	\$3,246,947	\$3,598,977	\$4,167,258
Interstate maintenance	2,487,662	2,999,387	3,472,715
Surface transportation program	7,678,456	4,198,567	4,861,801
Bridge program	1,972,966	2,574,170	2,979,730
Congestion mitigation & air quality improvement	807,225	1,043,703	1,180,723
Minimum guarantee	Exempt	4,264,951	4,515,863
Federal lands programs	338,036	475,405	632,449
Transportation research	81,250	334,935	343,738
High priority projects	Exempt	923,126	1,271,396
Other programs	1,724,202	708,278	1,237,294
Tax evasion	5,000	5,000	5,000
Bureau of transportation statistics	20,507	31,000	31,000
Appalachian highways ¹	10,000	.....	403,119
Woodrow Wilson bridge	30,000	22,501	68,175

FEDERAL-AID HIGHWAYS ESTIMATED OBLIGATIONS—Continued

[In thousands of dollars]

Programs	FY 1997 actual	FY 1998 estimated obligations	FY 1999 estimated obligations
Limitation on general operating expenses	518,889	320,000	318,733
Total Limitation	18,921,140	21,500,000	25,511,000
Exempt from limitation:			
Emergency relief:			
Regular program	114,379	123,056	100,000
Supplemental	580,232	412,435	.....
Minimum guarantee ²	549,877	774,104	639,041
Minimum allocation—ISTEA ² .....	.....	9,276	3,710
Federal-aid highways demos (prior authorization)	1,195,904	610,090	414,862
Total Exempt	2,440,392	1,928,961	1,211,614
Grand total, federal-aid highways	21,361,532	23,428,961	26,722,614

¹ In fiscal year 1998, an appropriation of \$300,000,000 was provided for Appalachian highways.² FY 1998 and FY 1999 estimated obligations are 60% of total funding including prior year balances.

The following table reflects the estimated distribution of the federal-aid limitation by state:

ESTIMATED FY 1999 OBLIGATION LIMITATION

States	Estimated FY 1999 formula limitation	FY 1999 minimum guarantee	Appalachia	Total	Change from FY 1998
Alabama	\$356,717,558	\$36,249,673	\$44,386,075	\$437,353,306	+\$65,155,925
Alaska	176,862,464	75,457,577	.....	252,320,041	+36,054,471
Arizona	303,242,010	41,689,478	.....	344,931,488	+50,387,631
Arkansas	253,048,519	29,531,271	.....	282,579,790	+39,941,480
California	1,863,262,921	128,492,399	.....	1,991,755,320	+283,405,961
Colorado	246,794,527	12,783,562	.....	259,578,089	+37,782,233
Connecticut	263,140,366	59,984,184	.....	323,124,550	+45,790,935
Delaware	89,175,631	10,204,143	.....	99,379,774	+14,671,844
Dist. of Col.	87,500,316	.....	.....	87,500,316	+12,604,317
Florida	836,403,576	164,045,867	.....	1,000,449,443	+144,013,176
Georgia	631,182,058	106,041,763	17,738,360	754,962,181	+108,862,001
Hawaii	101,013,240	10,150,553	.....	111,163,793	+15,739,476
Idaho	135,558,256	23,611,006	.....	159,169,262	+21,832,705
Illinois	684,346,858	41,374,700	.....	725,721,558	+102,311,366
Indiana	443,339,425	62,812,583	.....	506,152,008	+71,922,451
Iowa	251,743,987	10,229,839	.....	261,973,826	+37,409,782
Kansas	247,975,576	7,191,787	.....	255,167,363	+36,377,429
Kentucky	301,686,021	33,262,150	40,717,006	375,665,177	+56,302,900
Louisiana	309,567,618	29,387,327	.....	338,954,945	+47,647,164
Maine	105,067,775	9,995,936	.....	115,063,711	+16,554,386
Maryland	298,563,022	22,232,349	6,940,719	327,736,090	+47,244,813
Massachusetts	393,447,726	10,135,128	.....	403,582,854	+95,546,926
Michigan	601,179,804	73,909,316	.....	675,089,120	+44,901,436
Minnesota	299,390,185	20,374,380	.....	319,764,565	+37,788,019
Mississippi	240,285,680	18,147,691	4,977,512	263,410,883	+71,861,955
Missouri	472,680,856	35,242,540	.....	507,923,396	+32,472,136
Montana	185,761,378	34,956,689	.....	220,718,067	+25,898,549
Nebraska	172,373,765	3,434,871	.....	175,808,636	+22,908,306
Nevada	136,454,844	21,912,644	.....	158,367,488	+16,622,698
New Hampshire	97,761,103	11,247,908	.....	109,009,011	+77,979,908
New Jersey	528,704,456	25,550,346	.....	554,254,802	+30,523,462
New Mexico	189,037,604	24,551,758	.....	213,589,362	+154,675,252
New York	1,000,631,061	89,011,429	9,566,292	1,099,208,782	+89,086,984
North Carolina	508,903,855	76,141,397	26,133,026	611,178,278	+21,634,743
North Dakota	136,379,058	10,668,948	.....	147,048,006	+106,209,804
Ohio	669,345,173	49,795,300	20,015,376	739,155,849	+48,475,721
Oregon	243,605,252	16,279,527	.....	259,884,779	+36,477,315
Pennsylvania	885,942,462	56,749,443	108,530,182	1,051,222,087	+152,748,355
Rhode Island	112,218,000	19,004,264	.....	131,222,264	+19,114,099
South Carolina	299,227,293	46,689,562	2,174,947	348,091,802	+50,532,521
South Dakota	141,306,695	13,733,400	.....	155,040,095	+22,168,368

ESTIMATED FY 1999 OBLIGATION LIMITATION—Continued

States	Estimated FY 1999 formula limitation	FY 1999 mini- mum guarantee	Appalachia	Total	Change from FY 1998
Tennessee	402,458,421	36,818,342	49,762,093	489,038,856	+72,857,127
Texas	1,377,362,296	192,615,348	.....	1,569,977,644	+225,934,036
Utah	156,165,398	12,107,424	.....	168,272,822	+23,808,584
Vermont	93,676,350	7,932,136	.....	101,608,486	+14,817,139
Virginia	490,201,761	56,048,394	10,459,943	556,710,098	+80,470,677
Washington	360,017,192	23,031,097	.....	383,048,289	+53,953,390
West Virginia	170,488,388	4,857,645	61,717,244	237,063,277	+36,651,007
Wisconsin	370,808,051	57,655,199	.....	428,463,250	+61,103,421
Wyoming	143,559,043	12,010,150	.....	155,569,193	+22,841,062
SUBTOTAL	19,178,089,434	2,000,000,000	403,118,775	21,581,208,209	+2,901,451,946
Special Limitation—					
High Priority Projects .....	.....	.....	.....	1,271,395,575	+348,270,075
Woodrow Wilson Bridge .....	.....	.....	.....	68,175,000	+45,675,000
Allocation Reserve .....	.....	.....	.....	2,590,221,216	+715,602,979
Total limitation .....	.....	.....	.....	25,511,000,000	+4,011,000,000

Central Artery/Third Harbor Tunnel, Boston, Massachusetts.—The Department of Transportation's Inspector General recently completed an audit of the cost and financing for the Central Artery/Ted Williams Tunnel project in response to a request made by this Committee. The results of the study indicate continuing cost escalations. This trend is unacceptable.

The state's current cost estimate is \$10,800,000,000. Based on actual experience, the IG estimates the project could cost \$11,200,000,000. The difference is that the state's estimate does not reflect actual experience to date and does reflect overly optimistic cost-containment goals. Specifically, if the current, running composite rate of cost growth (14 percent) in change orders continues into the future, rather than the construction completion composite rate identified in the state's planning goal (10.7 percent), these project costs will rise by almost \$300,000,000. Similarly, if large contract awards (\$95,000,000 or higher) were to continue at 11 percent over budget as is currently being experienced by the project, the remaining large construction bids would come in higher than budget by over \$100,000,000.

Management consulting costs are likely to increase beyond current estimates. The state's management consulting firm has been paid about \$1,000,000,000 on its current \$1,600,000,000 contract. In 1995, the estimated total cost of the consultant contract was \$1,480,000,000. The cost of that contract has increased nearly ten percent in the past two years, and will further increase in the five years remaining on the contract unless the consulting staff is significantly reduced. Early in the project, managers forecast that by fiscal year 1997, as design gave way to full construction, the number of employees on the consulting payroll would drop to less than 600. Although the estimated date of project completion has not changed, the design phase is nearly complete, and the project has moved into construction, the consulting staff remains at over 950 employees, nearly the same level of employees as in fiscal year 1993. To avoid additional cost, the state must reduce the consulting staff to the originally planned levels.

The state estimates total funding of \$11,700,000,000 will be required through the completion of the project scheduled in 2004. (This level does not include the over \$400,000,000 identified in potential contract cost overruns or additional consultant costs.) This \$11,700,000,000 funding level differs from the state's estimate of project costs of \$10,800,000,000 because an insurance credit is expected in 2017, and it will be used to offset about \$800,000,000 of project expenditures. Nevertheless, the full \$11,700,000,000 in expenditures must be financed by project completion in fiscal year 2005.

The state's ability to finance these costs is dependent heavily on federal funding levels contained in TEA21. The Act provides the commonwealth of Massachusetts with an average of \$487,000,000 a year over the next six years, instead of the \$580,000,000 the Commonwealth anticipated in its 1997 finance plan. As a result, a shortfall of about \$375,000,000 will occur between 1998 and 2003, requiring the commonwealth to explore additional funding options to meet this shortfall.

While the state plans to use almost three-quarters of its federal highway funds anticipated through fiscal year 2002, and half of its federal highway funds anticipated from fiscal years 2003 through 2005 for the project, the state has made the commitment that it will maintain a balanced highway program throughout the entire state totaling at least \$400,000,000 per year. Notwithstanding this commitment, funding programmed in the state's transportation improvement program for interstate maintenance projects totals only \$16,000,000 for fiscal years 1998 through 2003, or only 3 percent of the \$415,000,000 in funds available. \$84,000,000 is transferred to the STP program. Similarly, of the \$249,000,000 anticipated for CMAQ programs, only \$44,000,000 is programmed for statewide projects. The Committee cannot accept that a transportation program with virtually no interstate maintenance for six years is considered balanced.

The Committee expects that the finance plan will be updated immediately to reflect the federal funding now available to the Commonwealth of Massachusetts as a result of the enactment of TEA21 and to fully identify the additional short-term financing and new revenue sources that are required to meet the project's cash requirements. The Committee directs the department's Inspector General to continue to oversee the costs, funding, and schedule of the Central Artery project and to report periodically its results to the Committee.

MOTOR CARRIER SAFETY GRANTS

(HIGHWAY TRUST FUND)

	<i>(Limitation on obligations)</i>	<i>(Liquidation of contract authorization)</i>
Appropriation, fiscal year 1998—	(\$84,825,000)	\$85,000,000
Budget estimate, fiscal year 1999—	(100,000,000)	100,000,000
Recommended in the bill—	(⁽¹⁾ —	(⁽¹⁾)
Bill compared to:		
Appropriation, fiscal year 1998—	(— 84,825,000)	— 85,000,000
Budget estimate, fiscal year 1999—	(— 100,000,000)	— 100,000,000

¹The Committee recommendation provides the appropriation for motor carrier safety grants within the National Highway Traffic Safety Administration.

The accompanying bill provides \$100,000,000 in liquidating cash and limitations on obligations for the motor carrier safety grants within the National Highway Traffic Safety Administration. In fiscal year 1998 and the budget request, funding for the motor carrier safety grants program was included within the Federal Highway Administration. The Committee believes that the office of motor carriers and the motor carrier safety grants program serve a vital safety oversight function, the activities of which are much more closely aligned with those of the National Highway Traffic Safety Administration than those of the Federal Highway Administration.

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

Appropriation, fiscal year 1998—	\$300,000,000
Budget estimate, fiscal year 1999—	
Recommended in the bill—	
Bill compared with:	
Appropriation, fiscal year 1998—	– 300,000,000
Budget estimate, fiscal year 1999—	

The Committee recommends no general fund appropriation for the Appalachian development highway system (ADHS). This is the same level as requested in the budget and \$300,000,000 less than provided in fiscal year 1998. TEA21 includes a total of \$2,250,000,000 for ADHS, of which \$450,000,000 is available in fiscal year 1999 within the overall federal-aid highway program limitation. These funds, together with previous appropriated funds, are sufficient to fund the program for fiscal year 1999.

In fiscal year 1998, a total of nearly \$400,000,000 in general fund budget authority was provided through a combination of appropriations contained in both the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act and the Department of Energy and Water Development Appropriations Act. In testimony before the Committee, the Federal Highway Administration noted that in excess \$330,000,000 of previous appropriated funds remain unobligated and available for expenditure for ADHS activities. Moreover, the Committee observes that while there may be significant costs to complete segments of the ADHS system, there are also funding deficiencies for other federal-aid projects equally worthy of additional federal support.

STATE INFRASTRUCTURE BANKS

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1998—	
Budget estimate, fiscal year 1999—	\$150,000,000
Recommended in the bill—	
Bill compared with:	
Appropriation, fiscal year 1998—	
Budget estimate, fiscal year 1999—	– 150,000,000

The Committee has not recommended any funding for the state infrastructure bank program in fiscal year 1999. No similar appropriation was provided in fiscal year 1998. TEA21 includes funding for the transportation infrastructure finance and innovation program (TIFIA), which is included in the overall federal-aid highway program.

TRANSPORTATION INFRASTRUCTURE CREDIT ENHANCEMENT
PROGRAM
(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1998— .....	.....
Budget estimate, fiscal year 1999—	\$100,000,000
Recommended in the bill— .....	.....
Bill compared with:	
Appropriation, fiscal year 1998— .....	.....
Budget estimate, fiscal year 1999—	— 100,000,000

The Committee has not recommended any funding for the transportation infrastructure credit enhancement program in fiscal year 1999. No similar appropriation was provided in fiscal year 1998. TEA21 includes funding for the transportation infrastructure finance and innovation program (TIFIA), which is included in the overall federal-aid highway program.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

SUMMARY OF FISCAL YEAR 1999 PROGRAM

The National Highway Traffic Safety Administration (NHTSA) was established as a separate organizational entity in the Department of Transportation in March 1970. It succeeded the National Highway Safety Bureau, which previously had administered traffic and highway safety functions as an organizational unit of the Federal Highway Administration.

The administration's current programs are authorized in four major laws: (1) the National Traffic and Motor Vehicle Safety Act, (currently codified as chapter 301 of title 49, U.S.C.); (2) the Highway Safety Act, (chapter 4 of title 23, U.S.C.); (3) the Motor Vehicle Information and Cost Savings (MCVIS) Act, (currently codified as Part C of subtitle VI of title 49, U.S.C.), and (4) the Transportation Equity Act for the 21st Century (TEA21).

The first law provides for the establishment and enforcement of safety standards for vehicles and associated equipment and the conduct of supporting research, including the acquisition of required testing facilities and the operation of the national driver register (NDR). Discrete authorizations were subsequently established for the NDR under the National Driver Register Act of 1982.

The second law provides for coordinated national highway safety programs (section 402) to be carried out by the states and for highway safety research, development, and demonstration programs (section 403). The Anti-Drug Abuse Act of 1988 (Public Law 100-690) authorized a new drunk driving prevention program (section 410) to make grants to states to implement and enforce drunk driving prevention programs.

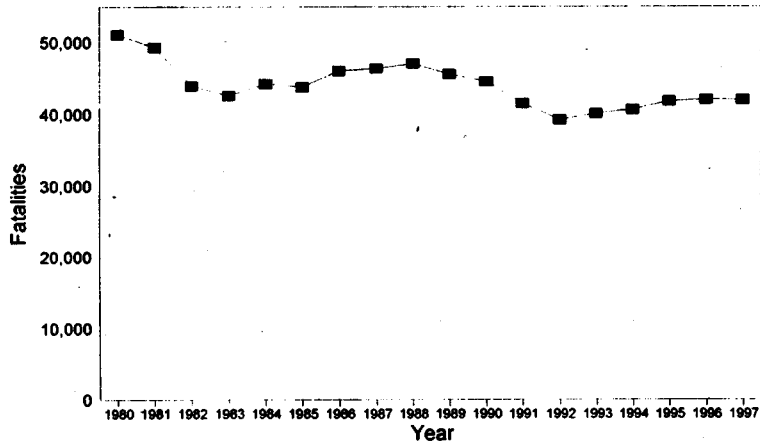
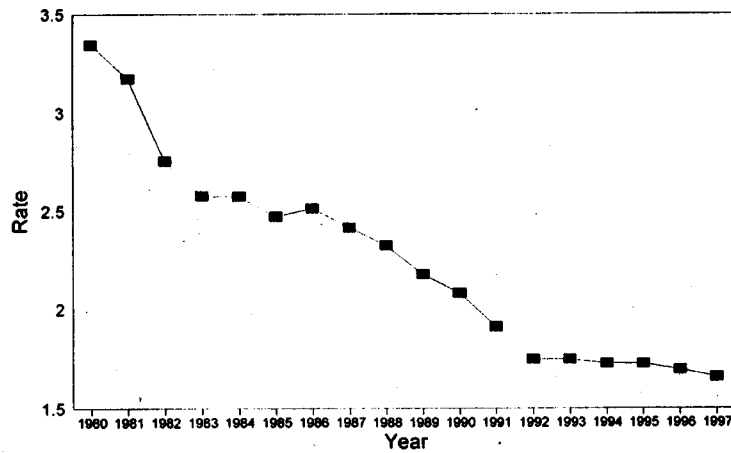
The third law (MVICS) provides for the establishment of low-speed collision bumper standards, consumer information activities, diagnostic inspection demonstration projects, automobile content labeling, and odometer regulations. An amendment to this law established the Secretary's responsibility, which was delegated to NHTSA, for the administration of mandatory automotive fuel economy standards. A 1992 amendment to the MVICS established automobile content labeling requirements.

The fourth law (TEA21) reauthorizes the full range of NHTSA programs and enacts a number of new initiatives. These include: safety incentives to prevent operation of motor vehicles by intoxicated persons (section 163 of title 23 U.S.C.); seat belt incentive grants (section 157 of title 23 U.S.C.); occupant protection incentive grants (section 405); and highway safety data improvement incentive grants (section 411). TEA21 also reauthorized highway safety research, development and demonstration programs (section 403) to include research measures that may deter drugged driving, educate the motoring public on how to share the road safely with commercial motor vehicles, and provide vehicle pursuit training for police. Finally, TEA21 adopts a number of new motor vehicle safety and information provisions, including rulemaking directions for improving air bag crash protection systems, exemptions from the odometer requirements for classes or categories of vehicles the Secretary deems appropriate, and adjustments to the automobile domestic content labeling requirements.

TRAFFIC SAFETY TRENDS

In 1992, the nation experienced the lowest ever number of highway fatalities—39,250—despite an increasing amount of travel on the roadways. This trend has reversed itself since then. However, it appears that fatalities may be leveling off. The latest NHTSA data indicates fatalities in 1997 were 42,000, which is a very slight increase from the 41,907 fatalities in 1996. In comparing 1997 to 1996, there was a 1.3-percent decrease in the number of police-reported traffic crashes and a 1.7-percent decrease in reported injuries caused by those accidents.

The fatality rate has remained constant, at 1.7 per 100 million vehicle miles of travel (VMT), since 1993. In 1997, this rate continued even with an estimated increase of 2 percent VMT from 1996. The following charts show these safety trends.

ANNUAL TRAFFIC FATALITIES 1980-1997**Traffic Fatality Rate 1980-1997**
(per 100,000,000 miles of travel)

The percentage of traffic crashes involving alcohol decreased in 1997. An estimated 16,500 people (39.3 percent) were killed in alcohol-related crashes down from 40.9 percent in 1996. This is the first time that the percentage of alcohol-related crashes has dropped below 40 percent since NHTSA began collecting these fatality rates.

OPERATIONS AND RESEARCH

(INCLUDING HIGHWAY TRUST FUND)

Appropriation, fiscal year 1998 ¹	\$146,962,000
Budget estimate, fiscal year 1999	172,902,000
Recommended in the bill ²	161,400,000
Bill compared with:	
Appropriation, fiscal year 1998	+14,438,000
Budget estimate, fiscal year 1999	- 11,502,000

¹Excludes reductions of \$178,000 for TASC.

²Including the National Driver Register.

For fiscal year 1999, TEA21 authorized a total appropriation level of \$161,400,000. This total consists of three separate authorizations. First, the bill includes \$72,000,000 of contract authority from the highway trust fund to finance NHTSA's operations and research activities under title 23 U.S.C. 403. This funding is included within the firewall guarantee for highway spending. Second, TEA21 includes an authorization, subject to appropriation, of \$87,400,000 for operations and research activities under section 30102 and 30104 of title 49 U.S.C. Third, the bill includes an authorization from the highway trust fund of \$2,000,000 for the National Driver Register.

The Committee recommends new budget authority and obligation limitations for a total program level of \$161,400,000, which is an increase of 10 percent above the 1998 enacted level. The bill includes language to limit the availability of the general fund appropriation for operations and research to a three-year period.

The Committee has worked with NHTSA to revise its 1999 budget request to comply with the levels authorized under TEA21 and recommends the following adjustments:

Defer funding 10 new staff positions-	-\$780,000
Defer funding new consumer information program	- 814,000
Hold NCAP testing to 1998 level	-2,270,000
Delete funding for fuel economy program	- 60,000
Slight reduction in vehicle safety compliance	- 40,000
Reduce increase for defects investigation from 38 to 24 percent	- 360,000
Delete funding for the safe communities program	-2,800,000
Slight reduction in EMS research	- 40,000
Hold PNGV to 1998 level	-1,004,000
Reduce increase for biomechanics simulation and analysis from 20 to 18 percent	- 225,000
Reduce increase for crash avoidance research from 109 to 91 per- cent	- 300,000
Fund occupant protection survey under grant administration	- 300,000
Increase grant administration reimbursement	-4,509,000
Fund National Driver Register	+2,000,000
Net reduction to the budget request	- 11,502,000

Reductions necessary to meet the authorized level shall not be taken from alcohol, drug enforcement, occupant protection, aggressive driving, crash investigation, or air bag programs. The Commit-

tee expects NHTSA to provide details on how these reductions will be allocated within 15 days after the enactment of this Act.

Staff increases.—The Committee has denied the request for 10 new staff positions in light of the authorization level.

New car assessment program (NCAP).—The Committee has held funding for the NCAP program at the 1998 enacted level of \$2,786,000. The Committee is concerned about NHTSA's inclusion of the 5th percentile dummy in the NCAP program. This dummy has not yet been certified under federal motor vehicle safety standard 208 and is still considered experimental. Until this dummy is certified, it should not be used in safety testing programs.

Consumer information program.—The Committee has denied the request for a new consumer information program in light of the new authorization level. In the past, educating the public on NCAP results has been funded within the NCAP program. NHTSA requested that this education effort become a separate program in fiscal year 1999. The Committee has provided sufficient funding within the NCAP program to continue these educational activities.

Fuel economy.—The Committee has deleted funding for the fuel economy contract program. This work can be done internally.

Safe communities.—The Committee has deleted funding for the safe communities program. Originally, this program was designed as a three-year program and the projects would act as focal points for the development of comprehensive traffic safety community programs. In fiscal year 1999, NHTSA sought a substantial increase to expand the program and to continue its operation beyond three years. The Committee does not see the merit of continuing to fund this program beyond its original three-year period when there are over 400 safe communities projects throughout the United States.

Partnership for a new generation of vehicles (PNGV).—The Committee has provided \$2,496,000 for the PNGV program, which is the same amount as provided in fiscal year 1998. It is unclear why funding for this program should be increased when NHTSA is scheduled to complete the development of a computer program capable of determining the safety attributes of likely PNGV candidate vehicles in fiscal year 1998. Additional funding has been requested to model a sport utility vehicle and to develop an index highlighting car/truck incompatibility, which are not relevant to the PNGV program.

The Committee is concerned that NHTSA's PNGV program is not well coordinated with other government agencies programs or their partners in industry. NHTSA is therefore directed to coordinate modeling efforts with the industry to ensure maximum relevancy as the program is further defined and to report its partnering activities to the House and Senate Committees on Appropriations in the congressional justifications supporting the fiscal year 2000 budget.

National occupant protection survey.—The Committee believes that this survey should be moved from the Operations and Research contract program to grant administration because it is occurring in all fifty states.

Grant administration.—The Committee has increased the grant administration drawdown from \$5,434,000 to \$9,943,000. TEA21 allows NHTSA to draw out five percent of its administrative costs

from the highway traffic safety grant programs. Because of the additional responsibilities NHTSA was given in TEA21, the Committee believes that NHTSA will require more funds to work with the states on such issues as safety belts, drugs, and alcohol than originally anticipated in the budget request.

National driver register.—The national driver register (NDR) program assists state motor vehicle administrators in communicating effectively and efficiently with other states to identify problem drivers (e.g., drivers whose licenses are suspended or revoked for certain serious traffic offenses, including vehicle operation under impairment by alcohol and other drugs). In the past, this program has been funded as a takedown from the highway traffic safety grants program. Under TEA21, NDR was authorized under NHTSA's operations and research program. The bill provides \$2,000,000, the same level as authorized, but \$300,000 less than requested for fiscal year 1999. The Secretary, in conjunction with the American Association of Motor Vehicle Administrators, shall begin the technology assessment authorized under section 2006 of TEA21. Up to \$250,000 is available for this activity.

Other reductions.—The Committee has made a number of reductions to meet the levels authorized under TEA21. These reductions were made to the following programs: vehicle safety compliance, defects investigation, EMS research, biomechanics, and crash avoidance. In most of these cases, reductions were made to proposed 1999 budget increases and will not impact the activities already underway.

Biomechanics.—The Committee has fully funded the crash injury research and engineering network component of the biomechanics program in fiscal year 1999. This network is expanding the number of hospital-based centers participating in the crash injury study program from four to seven trauma centers. The Committee continues to be supportive of the exemplary research that the William Lehman Injury Research Center and the New Jersey College of Medicine have done to identify and quantify new injury patterns in vehicle crashes. The Committee suggests that the Department consider expanding its work with these centers to include investigations of commercial motor vehicle accidents.

Aggressive driving.—The Committee is concerned about the apparent increase in accidents due to what has been termed "road rage"—aggressive drivers who endanger themselves and others by taking unnecessary risks on the highway. The Committee urges NHTSA to investigate the use of education as a means of reducing the incidence of road rage accidents.

NHTSA, in conjunction with the International Association of Chiefs of Police, should conduct a 2-year pilot project to utilize and demonstrate the effectiveness of enforcement devices, such as speed management and imaging devices, in reducing aggressive driving. The program could, for example, provide for the issuance of citations by mail to the registered owners of vehicles that violate traffic safety laws. The project should take place within one or more federal jurisdictions that have experienced high profile crashes, such as the George Washington Memorial Parkway.

Red light running initiative.—The Committee is concerned with the high number of motorists who disregard traffic signals. Failure

to obey traffic signals is one of the leading causes of urban crashes. The Committee recognizes an innovative program initiated by the Jefferson Parish Sheriff's Office in Louisiana to combat this problem, which has the potential to serve as a national model. NHTSA should evaluate the work being done in Jefferson Parish to determine if it could be deployed nationwide.

Bill language.—The Committee has included a provision prohibiting any agency funded in this Act from planning, finalizing, or implementing any rulemaking which would require passenger car tires be labeled to indicate their low rolling resistance. Also, the bill contains a general provision (sec. 320) that prohibits funds to be used to prepare, prescribe, or promulgate corporate average fuel economy (CAFE) standards for automobiles that differ from those previously enacted. The limitation does not preclude the Secretary of Transportation, in order to meet lead time requirements of the law, from preparing, proposing, and issuing a CAFE standard for model year 2001 automobiles that is identical to the CAFE standard established for such automobiles for model year 2000. —

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1998	(\$186,000,000)
Budget estimate, fiscal year 1999	(197,000,000)
Recommended in the bill	(200,000,000)
Bill compared with:	
Appropriation, fiscal year 1998	(+14,000,000)
Budget estimate, fiscal year 1999	(+3,000,000)

TEA21 authorized four state grant programs: the highway safety grant program, the occupant protection incentive grant program, the alcohol-impaired driving countermeasures grant program, and the state highway safety data improvement grant program. The Committee recommends \$200,000,000 for the liquidation of contract authorization, which is a 7.5 percent increase above the 1998 enacted level. This appropriation is mandatory and has no scoring effect.

LIMITATION ON OBLIGATIONS

As in past years and recommended in the budget request, the bill includes language limiting the obligations to be incurred under the various highway traffic safety grants programs. These obligations are included within the highway guarantee. The bill includes separate obligation limitations with the following funding allocations:

	Fiscal year		Recommended in the bill
	1998 enacted	1999 estimate	
Highway safety grants	\$149,700,000	\$166,700,000	\$150,000,000
Alcohol incentive grants	34,500,000	39,000,000	35,000,000
Occupant protection incentive grants		20,000,000	10,000,000
Drugged driving incentive grants		5,000,000	
State highway safety data improvements			5,000,000
National driver register	2,300,000	2,300,000	(¹)

	Fiscal year		Recommended in the bill
	1998 enacted	1999 estimate	
Total	186,500,000	233,000,000	200,000,000

¹ National driver register is funded under Operations and Research in fiscal year 1999, as authorized.

Highway safety grants.—These grants are awarded to states for the purpose of reducing traffic crashes, fatalities and injuries. The states may use the grants to implement programs to reduce deaths and injuries caused by exceeding posted speed limits; encourage proper use of occupant protection devices; reduce alcohol-and drug-impaired driving; reduce crashes between motorcycles and other vehicles; reduce school bus crashes; improve police traffic services; improve emergency medical services and trauma care systems; increase pedestrian and bicyclist safety; increase safety among older and younger drivers; and improve roadway safety. The grants also provide additional support for state data collection and reporting of traffic deaths and injuries.

An obligation limitation of \$150,000,000 is included in the bill, which is the same amount as authorized. The Committee has included \$300,000 for the occupant protection survey within this total. Also, language is included in the bill that limits funding available for federal grants administration of NHTSA to \$9,943,000.

The bill continues to carry language that prohibits the use of funds for construction, rehabilitation, and remodeling costs or for office furnishings or fixtures for state, local, or private buildings or structures.

Alcohol-impaired driving incentive grants.—TEA21 authorized \$219,500,000 over six years to continue NHTSA's alcohol-impaired driving incentive grants program. These grants will offer two-tiered basic and supplemental grants to reward states that pass new laws and start more effective programs to attack drunk and impaired driving. States may qualify for basic grants in two ways. First, they can implement 5 of the following 7 laws and programs: (1) administrative license revocation; (2) programs to prevent drivers under age 21 from obtaining alcoholic beverages; (3) intensive impaired driving law enforcement; (4) graduated licensing law with nighttime driving restrictions and zero tolerance; (5) programs that target drivers with high blood alcohol-content (BAC); (6) young adult programs to reduce impaired driving by individuals aged 21–34; (7) an effective system for increasing the rate of testing for BAC of drivers in fatal crashes. Second, they can demonstrate a reduction in alcohol-involved fatality rates in each of the last three years and demonstrate rates lower than the national average for each of the last three years. Supplemental grants are provided to states that adopt additional measures, including videotaping of drunk drivers by police; self-sustaining impaired driving programs; laws to reduce driving with suspended licenses; use of passive alcohol sensors by police; a system for tracking information on drunk drivers; and other innovative programs. The Committee has provided \$35,000,000 for these grants in fiscal year 1999. No state may receive grants in more than six fiscal years and the federal share declines in the out years.

In addition to the alcohol-impaired driving incentive grant program, TEA21 authorized \$500,000,000 in grants over six years for states that have enacted and are enforcing a 0.08 BAC law (section 163). For each fiscal year a state meets this criterion, it will receive a grant in the same ratio in which they receive section 402 funds. The states may use these funds for any project eligible for assistance under title 23 (e.g., highway construction, bridge repair, motor carrier safety, etc.). This grant program, combined with the alcohol-impaired driving incentive grant program will significantly increase the resources the department has to encourage states to adopt and enforce anti-drunk driving legislation. However, it is unclear how the programs will be coordinated and the extent of program overlap that may result from such a large increase in federal funding. The Committee directs NHTSA and FHWA to report to the Committee on how this coordination will work and how these programs will differ in the congressional justifications supporting, NHTSA's budget request for fiscal year 2000.

Occupant protection incentive grants.—The Committee has funded the new occupant protection incentive grant program at \$10,000,000, the level guaranteed under TEA21. States may qualify for this new grant program by implementing 4 of the following 6 laws and programs: (1) a law requiring safety belt use by all front seat passengers; (2) a safety belt use law providing for primary enforcement; (3) minimum fines or penalty points for seat belt and child seat use law violations; (4) special traffic enforcement programs for occupant protection; (5) a child passenger protection education program; and (6) a child passenger protection law which requires minors to be properly secured.

In addition to the new occupant protection incentive grant program, TEA21 established a safety incentive grant program (section 157) to encourage states to increase seat belt usage. The grant program totals \$500,000,000 over 6 years. Allocations of federal grants require determinations of (1) seat belt use rates and improvements and (2) federal medical cost savings attributable to increased seat belt use. Both determinations are potentially complicated and will require data collection by the states. States that meet the section 157 requirements can use the funds for any purpose under title 23, including highway construction, transit, motor carrier safety, boating safety, and intelligent transportation systems. Although these funds are authorized as part of the federal-aid highway program, NHTSA will likely administer the program. As such, the Committee expects to be advised on how NHTSA will allocate these funds based on the difficulty in collecting accurate data.

State highway safety data improvements.—The Committee has provided \$5,000,000 for the state highway safety data improvement grants program. To receive first year grants, a state has three options. Option (1): establish a multi-disciplinary highway safety data and traffic records coordinating committee; complete a highway safety data and traffic records assessment or audit within the last five years; and initiate development of a multi-year highway safety data and traffic records strategic plan. Option (2): a state must certify that it has met the first two criteria in option 1; submit a data and traffic records multi-year plan; and certify that the coordinating committee continues to operate and support the plan. Option

(3): the Secretary may award grants of up to \$25,000 for one year to any state that does not meet the criteria for option 1. States that receive first year grants then would be eligible for subsequent grants by: submitting or updating a data and traffic multi-year plan; certifying that the coordinating committee continues to support the multi-year plan; and reporting annually on the progress made to implement the plan.

MOTOR CARRIER SAFETY GRANTS

(HIGHWAY TRUST FUND)

	<i>(Limitation on obligations)</i>	<i>(Liquidation of contract authorization)</i>
Appropriation, fiscal year 1998 ¹	\$84,825,000	\$85,000,000
Budget estimate, fiscal year 1999 ¹	\$100,000,000	\$100,000,000
Recommended in the bill—	\$100,000,000	\$100,000,000
Bill compared to:		
Appropriation, fiscal year 1998	+15,175,000	+15,000,000
Budget estimate, fiscal year 1999		

¹ Appropriation for motor carrier safety grants within the Federal Highway Administration.

The motor carrier safety grants program (MCSAP) is intended to assist states in developing or implementing national programs for the uniform enforcement of federal and state rules and regulations concerning motor safety. The major objective of this program is to reduce the number and severity of accidents involving commercial motor vehicles. Grants are made to qualified states for the development of programs to enforce the federal motor carrier safety and hazardous materials regulations and the Commercial Motor Vehicle Safety Act of 1986. The basic program is targeted at roadside vehicle safety inspections of both interstate and intrastate commercial motor vehicle traffic.

The accompanying bill provides \$100,000,000 in liquidating cash and limitations on obligations for the motor carrier safety grants within the National Highway Traffic Safety Administration. In fiscal year 1998 and the budget request, funding for the motor carrier safety grants program was included within the Federal Highway Administration. The Committee believes that the office of motor carriers and the motor carrier safety grants program serve a vital safety oversight function, the activities of which are much more closely aligned with those of the National Highway Traffic Safety Administration than those of the Federal Highway Administration. Moving motor carriers under NHTSA's umbrella would sharpen the department's focus on safety problems. One modal administration can better focus on reducing all highway accidents instead of having two administrations focus on reducing components (passenger vehicles and commercial motor vehicles) of the 42,000 annual highway fatalities. Also, combining NHTSA and OMC functions should provide some economies of scale because there are ongoing research and highway safety activities that could benefit from the combined expertise and funding.

The Committee directs that the fiscal year 2000 budget justification of NHTSA reflect a complete integration of the functions of the Office of Motor Carriers. In addition to this budgetary change, the Secretary shall formally transfer OMC's delegation, authorities, and responsibilities to NHTSA. —

LIMITATION ON OBLIGATIONS

The Committee recommends a \$100,000,000 limitation on obligations for motor carrier safety grants, the same amount guaranteed under TEA21. The Committee recommends the following allocation:

Basic motor carrier safety grants	\$80,000,000
Performance based incentive grant program .....	.....
Border assistance	4,500,000
High-priority activities	4,500,000
Training	1,000,000–
Information systems	10,000,000

Safety performance incentive grant program.—The Committee has not provided separate funding for the new safety performance incentive grant program because OMC has yet to issue a rule-making establishing performance-based criteria for the states. Until a final rule is issued that highlights the goals and guidelines of the program and identifies how states will compete for these incentive grants, the Committee believes that it is premature to fund this effort. A final rule is not anticipated until the end of fiscal year 1999. Although the Committee has not provided funding for this effort in fiscal year 1999, such action does not prejudice the grant program from receiving funding in future years.

Border assistance.—The Committee directs that none of the funds provided for border assistance should be provided to the second tier states—states that border Arizona, California, New Mexico, or Texas—until Mexican commercial motor vehicles are allowed to freely traverse the four border states. Second tier states do not need assistance because Mexican carriers cannot proceed beyond the border states and into the second tier states.

Information systems.—The Committee has provided \$10,000,000 for information systems. Of this total, \$3,000,000 shall be used to help each state improve its information systems, computers, and evaluation capabilities; \$1,000,000 shall be for driver safety activities to improve the commercial drivers license program or for judicial outreach; and \$5,000,000 shall be for the expansion of PRISM.

Truck and bus accidents.—The Committee is concerned about the growing number of truck and bus accidents. After years of declining crash rates and fatalities rates, both large trucks and intercity passenger buses are experiencing an upswing in crash and fatality rates. In comparison, accident and fatality rates for all vehicles are much lower and are not increasing. The Committee directs OMC to monitor this situation closely and report to the House and Senate Committees on Appropriations on new and innovative efforts the administration is taking to reduce the number of accidents and fatalities and what additional steps can be taken if this trend continues throughout fiscal year 1998.

FEDERAL RAILROAD ADMINISTRATION

SUMMARY OF FISCAL YEAR 1999 PROGRAM

The Federal Railroad Administration (FRA) is responsible for planning, developing, and administering programs to achieve safe operating and mechanical practices in the railroad industry, as well as managing the high speed ground transportation program.

Grants to the National Railroad Passenger Corporation (Amtrak) and other financial assistance programs to rehabilitate and improve the railroad industry's physical plan are also administered by the FRA.

The total recommended program level for the FRA for fiscal year 1999 is \$729,316,000, which is \$22,043,000 less than requested and \$207,474,000 below the 1998 level. The following table summarizes the fiscal year 1998 program levels, the fiscal year 1999 program requests and the Committee's recommendations:

Program	Fiscal year 1998 enacted level	Fiscal year 1999 request	Recommended in the bill
Office of the administrator	\$20,290,000	\$21,573,000	\$21,367,000
Railroad safety	57,067,000	61,959,000	60,948,000
Nationwide differential global positioning system		3,000,000	
Railroad research and development	20,758,000	20,757,000	20,477,000
Northeast corridor improvement program	250,000,000	¹	
Next generation high speed rail	20,395,000	12,594,000	15,294,000
Rhode Island rail development	10,000,000	10,000,000	2,000,000
Grants to the National Railroad Passenger Corporation	² 543,000,000	³ 621,476,000	609,230,000
Alaska railroad	15,280,000		
Emergency railroad rehabilitation and repair	(9,800,000)		
Total	⁴ 936,790,000	751,359,000	729,316,000

¹ Financing for the Northeast Corridor Improvement Program is included in capital grants to the National Railroad Passenger Corporation's budget request.

² Includes railroad retirement payments.

³ Funding is for capital grants, the Northeast Corridor Improvement Program, Pennsylvania Station redevelopment and expenses of the Office of the Secretary. All funds are requested from the Highway Trust Fund.

⁴ Excludes reductions of \$49,000 for TASC.

OFFICE OF THE ADMINISTRATOR

Appropriation, fiscal year 1998 ¹	\$20,290,000
Budget estimate, fiscal year 1999	21,573,000
Recommended in the bill	21,367,000
Bill compared with:	
Appropriation, fiscal year 1998	+1,077,000
Budget estimate, fiscal year 1999	- 206,000

¹ Excludes reductions of \$29,000 for TASC.

This account provides funds for executive direction and administration, policy support, passenger and freight services, salaries and expenses, and contractual support. The Committee recommends an appropriation of \$21,367,000 to continue the office of the administrator and for passenger and freight service assistance functions.

Recommended adjustments to the budget request are as follows:

Delete funding for the electronic grant project	-\$200,000
Delete funding for acquisition management training	- 6,000

The Committee has denied funding for the electronic grant project and acquisition management training department-wide due to budget constraints.

Train traffic noise in Riverside, California.—It has been brought to the Committee's attention that increased rail traffic in certain urban areas has given rise to noise and safety concerns. The Committee understands that efforts are underway to develop technology that may address train whistle noise issues and that FRA is currently considering regulations on this issue. The Committee urges FRA to work with the City of Riverside, California, and the affected railroads to address the City's concerns. The Committee also urges

the Administrator to consider the City of Riverside, California, as a test site for any technology developed to reduce whistle noise.

Coon Rapids, Minnesota whistle ban project.—The city of Coon Rapids, Minnesota, has been working to develop safe and quiet alternatives to trains blowing their warning whistles at grade crossings. The city has assembled a proposal for implementation of traffic islands, special signing, and video cameras at its grade crossings, in lieu of trains blowing their warning whistles. The Committee urges FRA to consider the City of Coon Rapids as a model test site for any technology developed as alternatives to train whistles.

General provision.—The Committee has included a general provision that makes funding provided in the Emergency Supplemental Appropriations and Rescissions Act of 1998 (P.L. 105–174) available through July 10, 1998. Following heavy rains during late June and early July of this year, the President designated certain counties within the state of New York as federal disaster areas. Railroads within these counties experienced significant washout and shall be eligible for emergency funding provided in that Act.

RAILROAD SAFETY

Appropriation, fiscal year 1998 ¹	\$57,067,000
Budget estimate, fiscal year 1999	61,959,000
Recommended in the bill	60,948,000
Bill compared with:	
Appropriation, fiscal year 1998	+3,881,000
Budget estimate, fiscal year 1999	–1,011,000

¹Excludes reductions of \$17,000 for TASC.

The federal role in the railroad safety program is to protect railroad employees and the public by ensuring the safe operation of passenger and freight trains. The authority to accomplish this role is found in the Federal Railroad Safety Act of 1970 (as amended), the Department of Transportation Act, and the Hazardous Materials Transportation Act. Greatly expanded railroad safety authority was granted to the FRA under the Rail Safety Improvement Act of 1998.

The Committee recommends a total appropriation of \$60,948,000 for railroad safety programs in fiscal year 1999. The following reductions are made to the budget request:

Hire 24 instead of 32 new inspectors	–\$420,000
Hold travel to a 10 percent increase	–591,000

Inspectors.—The Committee has provided \$1,271,000 for 24 new safety inspectors. FRA had requested funding for 32 positions. Of these positions, eight positions would conduct administrative and liaison activities. Due to budget constraints and a high number of vacancies currently in the railroad safety program, the committee has denied funding for these eight positions.

Travel and transportation of things.—The Committee has held travel and transportation of things to an increase of 10 percent instead of the 21 percent increase requested (–\$591,000). Such a significant increase is not necessary with fewer personnel being hired.

NATIONWIDE DIFFERENTIAL GLOBAL POSITIONING SYSTEM

Appropriation, fiscal year 1998	
Budget estimate, fiscal year 1999	\$3,000,000
Recommended in the bill	
Bill compared with:	
Appropriation, fiscal year 1998	
Budget estimate, fiscal year 1999	- 3,000,000

The administration has requested a new appropriation to enable the installation of nationwide differential global positioning system (DGPS) transmitters throughout the United States. This system would enhance an existing Coast Guard network. Together, these two networks will be used to support positive train control. The Committee has denied funding for this project under this heading and has also denied funding for a related request within the Federal Highway Administration's limitation on general operating expenses.

In fiscal year 1998, Congress appropriated \$2,400,000 to the Coast Guard to begin converting the Air Force Ground Wave Emergency Network (GWEN) sites into a DGPS network located within the interior of the United States and Alaska. To date, the Coast Guard has not converted any systems because of delays in completing an interagency memorandum of agreement to begin this project.

Beginning in the year 2000, the department plans to collect contributions for this network from up to 17 other federal agencies and private sources to fund the conversion of GWEN sites to a DGPS network. The Department has stated that these agencies, particularly the Department of Agriculture, will be the primary beneficiaries of this information. Since the Department of Transportation is not the principal beneficiary, the Committee believes that it should not be the only source of funding for this system in fiscal year 1999 or beyond. The Committee directs the department to work with other federal agencies that plan on utilizing the DGPS network to develop an equitable funding scheme for (1) the conversion of the GWEN system to DGPS and (2) long-term operations and maintenance costs once the new system is established. The results of this work should be provided to the House and Senate Committees on Appropriations by March 1, 1999. This Committee would be disinclined to re-evaluate budget requests for this program until such information is available.

RAILROAD RESEARCH AND DEVELOPMENT

Appropriation, fiscal year 1998 ¹	\$20,758,000
Budget estimate, fiscal year 1999	20,757,000
Recommended in the bill	20,477,000
Bill compared with:	
Appropriation, fiscal year 1998	- 281,000
Budget estimate, fiscal year 1999	- 280,000

¹ Excludes reductions of \$3,000 for TASC.

The railroad research and development appropriation finances contract research activities as well as salaries and expenses necessary for supervisory, management, and administrative functions. The objectives of this program are to reduce the frequency and severity of railroad accidents and to provide technical support for rail safety rulemaking and enforcement activities.

The Committee recommends an appropriation of \$20,477,000 for fiscal year 1999. The following reductions are made:

Delete funding maglev initiative	-\$150,000
Delete funding for TTC site facilities	-130,000

Maglev initiative.—The Committee has deleted funding for the maglev initiative. The Administration has requested \$150,000 to evaluate maglev technology; however, there are no maglev projects currently underway in the United States to transport rail passengers for the FRA to evaluate.

Section 1218 of TEA21 provides funding for maglev deployment within the overall federal-aid highway program limitation. FRA is expected to manage this program. Funding is available to FRA for planning and project oversight once initial project submissions have been approved. Since funding will be available within the Federal Highway Administration, the Committee does not expect to see a request for maglev oversight in future FRA budget requests.

Transportation Technology Center (TTC) site facilities.—Until recently, the Association of American Railroads (AAR) operated and maintained the TTC under a non-competitive arrangement with FRA. Recently, AAR has elected to spin off the TTC into a separate, for-profit entity. As a commercial entity, TTC should not be dependent on federal funds for its upkeep. As such, the Committee has deleted funding for TTC site facilities (–\$130,000).

Bill language.—The Committee has included the requested bill language that allows FRA to sell old aluminum reaction rail at TTC. The aluminum is an unused asset that could be sold to raise funds for needed capital improvements at the TTC. This sale would offset the reductions the Committee made in the budget request for TTC upkeep.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

Appropriation, fiscal year 1998—	\$250,000,000
Budget estimate, fiscal year 1999—	(1)
Recommended in the bill—	---
Bill compared with:	
Appropriation, fiscal year 1998—	– 250,000,000
Budget estimate, fiscal year 1999—	---

¹\$200,000,000 for the Northeast Corridor Improvement Program is included in the proposed capital grant to the National Railroad Passenger Corporation appropriation.

For fiscal year 1999, the administration and Amtrak have requested not less than \$200,000,000 for the Northeast Corridor Improvement Program (NECIP) to be included within Amtrak's capital grant. The Committee has not provided a specific earmark for NECIP within the capital grant and has afforded Amtrak the flexibility to allocate whatever amount it believes is necessary for this project in fiscal year 1999.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING PROGRAM

TEA21 established a railroad rehabilitation and improvement financing loan and loan guarantee program. The aggregate unpaid principal amounts of the obligations may not exceed \$3.5 billion at any one time. Not less than \$1 billion is reserved for projects primarily benefiting freight railroads other than class I carriers. The funding may be used (1) to acquire, improve, or rehabilitate inter-

modal or rail equipment or facilities, including track, components of track bridges, yards, buildings, or shops; (2) to refinance existing debt; or (3) to develop and establish new intermodal or railroad facilities. No federal appropriation is required since a non-federal infrastructure partner may contribute the subsidy amount required by the Credit Reform Act of 1990 in the form of a credit risk premium. Once received, statutorily established investigation charges are immediately available for appraisals and necessary determinations and findings. As such, the Committee has not provided an appropriation for this program.

This loan guarantee program provides an opportunity for developing significant rail infrastructure improvements benefiting the national transportation system. The Committee anticipates that the Department will likely receive applications incorporating non-federal commitments for this risk premium and expects that the Secretary will consider such applications carefully, given the potential risk to the federal government as the guarantor of the loan guarantee amount.

It is the Committee's understanding that the department strongly opposed establishing a separate credit program for private railroads during TEA21 deliberations. The Committee also has a number of concerns about this program, including: (1) how the Federal Railroad Administration will oversee this program; (2) how budgetary oversight will occur for a program that requires no federal appropriation for some or all of its loan guarantees; (3) how the costs to administer the loan and loan guarantees will be paid; (4) whether the loans and loan guarantees will be limited to a certain type of rail project or project sponsor; and (5) whether the program will be utilized to offer financing to railroads that could not obtain a loan elsewhere. The department is to address these questions and shall notify the House and Senate Committees on Appropriations of the resolution of these concerns prior to granting the first loan.

NEXT GENERATION HIGH-SPEED RAIL

Appropriation, fiscal year 1998	\$20,395,000
Budget estimate, fiscal year 1999	12,594,000
Recommended in the bill	15,294,000
Bill compared with:	
Appropriation, fiscal year 1998	- 5,101,000
Budget estimate, fiscal year 1999	+2,700,000

The next generation high-speed rail program funds the development, demonstration, and implementation of high speed rail technologies. It is managed in conjunction with the program authorized in TEA21.

The Committee recommends \$15,294,000 for the next generation high-speed rail program. Adjustments in total program funding from the budget request are as follows:

	1998 enacted	1999 request	Committee recommenda- tion
Train control systems	\$3,750,000	.....	\$1,500,000
Non-electric locomotives	9,300,000	\$6,800,000	8,000,000
ALPS	(2,000,000)	.....	.....
Prototype locomotive	(4,800,000)	.....	.....
RTL-3	(2,500,000)	.....	.....

	1998 enacted	1999 request	Committee recommenda- tion
Grade crossings & Innovative technologies	5,600,000	4,000,000	4,000,000
N.C. sealed corridor	(2,000,000)	(400,000)	(400,000)
Mitigating hazards	(2,500,000)	(2,500,000)	(2,500,000)
Lost-cost technologies	(1,100,000)	(1,100,000)	(1,100,000)
Track and structures	1,200,000	1,200,000	1,200,000
Administration	545,000	594,000	594,000
Total	20,395,000	12,594,000	15,294,000

Train control systems.—The Committee is dismayed that FRA has not sought additional funding in fiscal year 1999 for this critical safety program. Positive train control has been on the National Transportation Safety Board's "most wanted list" since the inception of the list in 1990. Also, FRA has testified that positive train control technology is the administration's "highest priority".

Earlier this year, the Association of American Railroads committed \$20,000,000 (in increments of \$5,000,000 annually over four years) to develop positive train control technology between Springfield and Chicago, Illinois. FRA estimates that this project will cost approximately \$60,000,000 over a four-year period. FRA and the Illinois Department of Transportation have \$15,000,000 available for this project. The Committee has provided \$1,500,000 to indicate continuing federal support for this project.

Non-electric locomotives.—The Committee has provided \$8,000,000 for non-electric locomotives, which is an increase of \$1,200,000 above the budget request. The funds for this program focus on the demonstration of a high-speed, lightweight fossil fuel locomotive that will be able to facilitate the testing of an advanced locomotive propulsion system (ALPS). This is the second year that the Committee has provided funds for the evaluation of non-electric locomotive technologies that utilize modern, recently developed locomotive car bodies and meet forthcoming FRA Tier II passenger rail car construction standards and other applicable safety regulations. These locomotives will be designed to facilitate the testing of a flywheel turbine developed under the ALPS program. The locomotives should have the potential to operate at 150 miles per hour, yet be available for revenue demonstration speeds of 125 miles per hour within a two-year period. According to FRA, to have a full-scale test of a high-speed, non-electric locomotive by the year 2000, \$8,000,000 is necessary in fiscal year 1999 because 65 percent of the manufacturing of this locomotive will occur in this year. The Committee expects FRA to dedicate a substantial portion of the funding to the manufacturing of this locomotive to meet this deadline.

RHODE ISLAND RAIL DEVELOPMENT

Appropriation, fiscal year 1998	\$10,000,000
Budget estimate, fiscal year 1999	10,000,000
Recommended in the bill	2,000,000
Bill compared with:	
Appropriation, fiscal year 1998	—8,000,000
Budget estimate, fiscal year 1999	—8,000,000

The Committee has provided \$2,000,000 for the Rhode Island Rail Development project, which is \$8,000,000 less than requested. Since fiscal year 1995, a total of \$23,000,000 has been appropriated in federal funds to construct a third track between Davisville and Central Falls, Rhode Island. This funding is matched on a dollar-for-dollar basis by the state. The third track will prevent mixing freight and high-speed passenger rail service and will provide sufficient clearance to accommodate double-stack freight cars.

A record of decision, allowing the project to go forward, was signed on May 14, 1998. At that time, the state issued a Freight Railroad Improvement Project (FRIP) briefing book, which showed that Rhode Island needed a total of \$41,000,000 to meet its expenditures through fiscal year 1999. As of May 1998, the state has spent just over 10 percent of the federal funding, or \$2,400,000. It has \$20,600,000 unobligated. When combined with the state's matching contribution, the state has a total of \$41,200,000 to spend on this project during fiscal year 1999. Thus, the Committee does not believe that the state requires the full request of \$10,000,000 in fiscal year 1999. If the state requires more than the \$41,000,000 projected, additional funding is available from the bond referendum passed in November 1996 that approved \$50,000,000 for FRIP construction costs.

The Committee remains confident that this is a worthwhile project and will continue to consider future appropriations for this project once the unobligated balances have been drawn down.

The Committee has deleted bill language that requires the Providence and Worcester Railroad to reimburse Amtrak and/or the Federal Railroad Administration for damages resulting from legal actions relating to vertical clearances between Davisville and Central Falls in excess of those required for present freight operations. It is the Committee's understanding that this issue has been resolved.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Appropriation, fiscal year 1998	\$543,000,000
Budget estimate, fiscal year 1999 ¹	621,476,000
Recommended in the bill	609,230,000
Bill compared with:	
Appropriation, fiscal year 1998	+66,230,000
Budget estimate, fiscal year 1999	- 12,246,000

¹ The administration requested a total of \$621,476,000 for capital grants from the Highway Trust fund.

The National Railroad Passenger Corporation (Amtrak) is a for profit corporation created by the Rail Passenger Service Act of 1970 and incorporated under the laws of the District of Columbia to operate a national rail passenger system. Amtrak started operation on May 1, 1971.

STATUS OF AMTRAK

During the past year, significant changes have affected Amtrak. Most notably is the passage of the Amtrak Reform and Accountability Act that, among other things, enacted section 977 of the Taxpayer Relief Act (TRA) of 1997. The TRA made a total of \$2.3 billion available to Amtrak in fiscal years 1998 and 1999 to make capital improvements; to acquire capital assets; and to pay for certain maintenance expenses. From this total, Amtrak is required to

pay \$138,000,000 to six states that do not have Amtrak service. Other notable changes included in the authorization Act are: a repeal of the statutory ban on contracting out work that would result in employee layoffs or worsening of position; the elimination of statutory and contractual arrangements that provided up to six years' compensation and benefits for employees who lost their jobs because of reduction in services to less than three times per week and a reconfigured Board of Directors.

In addition to these legislative changes, the Administration and Amtrak submitted a unique budget request for fiscal year 1999. This request sought \$621,476,000 in capital funds and permission to use the capital appropriations for preventive maintenance. In prior years, the Administration and Amtrak have requested separate grant requests for operating and capital expenses, as well as for the Northeast Corridor Improvement Program.

With the adoption of the new authorization Act, the availability of \$2.162 billion in tax credits, and the new budget proposal, the Committee would expect to be optimistic about Amtrak's future. However, the Committee is not convinced that Amtrak's fiscal year 1999 proposal provides for the long-term viability and solvency of the Corporation.

In February 1998, the General Accounting Office testified that Amtrak is still in "dire financial straits". Other knowledgeable sources have said that the Administration's 1999 request would simply be shifting costs from operating expenses to capital expenses, causing Amtrak to spend down its needed capital appropriations on the daily operation of the system instead of on long-term investments, ultimately bankrupting the Corporation in or around the year 2000. The Secretary of Transportation was more optimistic about Amtrak's future when he testified before the Subcommittee in March 1998; however, he noted that Amtrak would require federal support well after the year 2002, in the form of a capital appropriation.

Since these hearings, Amtrak issued a revised strategic business plan. This plan showed that in fiscal year 1998 the Corporation's net loss would grow to \$845,000,000, or \$83,000,000 more than in fiscal year 1997. This loss is larger than the previous year because of unanticipated labor costs (\$35,000,000) and an inability to enact express service (\$48,000,000).

Amtrak also has serious cash flow problems. The revised strategic business plan shows that Amtrak projects a cash flow deficit of \$200,000,000 at the end of fiscal year 1998, which is \$30,000,000 more than its line of credit. To cover this cash flow deficit, Amtrak plans to borrow some of the funds provided by the TRA in 1998 for equipment maintenance expenses.

To gain a better understanding of Amtrak's financial condition, the Committee contacted the Department of Transportation's Inspector General, the General Accounting Office, and a diverse group of non-federal railroad experts. The Committee asked this group to comment on whether Amtrak continues to operate in a fragile state, as many testified, or if the recent legislative actions have placed the Corporation on a more stable footing. There was a wide divergence of opinions, but everyone expressed some degree of concern about Amtrak's long-term viability.

GAO noted that "Amtrak is unlikely to ever be free of the need for federal capital subsidies because of the capital intensive nature of railroads . . . Amtrak will depend heavily upon federal subsidies for operating assistance through fiscal year 2003."

Many of the experts questioned Amtrak's ability to increase revenues while further reducing costs. Most noted that Amtrak's ridership has remained flat since 1977. During this twenty-year period, airline traffic has more than doubled and interstate highway traffic has almost doubled. The experts also noted that revenues have been relatively flat throughout the 1990s despite large fare increases in some markets. Currently, less than sixty percent of Amtrak's revenue comes from passenger fares. Real estate, mail contracts, and express services make up the remainder. In the future, Amtrak may not be able to increase fares in most markets without experiencing a further decline in ridership. The one exception may be between New York and Boston, once high-speed rail service is initiated.

Amtrak has not been able to reduce its labor costs. Instead, the Corporation will experience significant labor cost increases over the next few years, which will impact its bottom line. In the year 2000, Amtrak projects that by extrapolating the new Brotherhood of Maintenance of Way Employees agreement to all labor unions, wages will increase by \$150,000,000 over the life of the contract. Even with productivity savings, this is a significant cost, which Amtrak can ill-afford.

On the positive side, recently affirmed express service, high-speed rail service between New York and Boston, profits from Amtrak's commuter operations, and increased contributions by states for intercity passenger rail service should have a favorable impact on Amtrak's revenues. One expert noted that the Northeast Corridor has excess capacity that could be sold to freight operators who may be interested in better serving the ports in and around New York City.

In summary, it appears that the internal changes Amtrak has made, and the external changes provided in the authorization Act and TRA, do not guarantee Amtrak's viability or even disperse the storm clouds which have been looming on Amtrak's horizon for many years. The Committee will continue to review Amtrak's position carefully on an annual basis and awaits the results of the market-based analysis that the Corporation is undertaking to "define a national system that works within reasonable economic parameters".

COMMITTEE RECOMMENDATIONS

The administration requested a total of \$621,476,000 for capital grants from the Highway Trust Fund. Of this total, no less than \$200,000,000 is to be provided for the Northeast Corridor Improvement Program, \$11,746,000 is for Pennsylvania Station Redevelopment, and \$500,000 is for administrative expenses related to the Amtrak Reform Council and annual financial assessment of Amtrak.

The Committee recommends a total funding level of \$609,230,000 for grants to Amtrak to cover capital expenses in fiscal year 1999. This amount is \$12,246,000 less than requested. In addition to

these appropriated funds, \$1,091,810,000 will be paid to Amtrak in fiscal year 1999 by the Secretary of the Treasury pursuant to section 977 of the Taxpayer Relief Act of 1997. This represents an all-time high federal funding level for Amtrak.

Northeast corridor improvement program.—The Committee has not provided a specific earmark for the Northeast Corridor Improvement Program. Amtrak has the flexibility to allocate whatever amount it believes is necessary for this project in fiscal year 1999.

Given the Committee's recognition of the importance of addressing the dangers associated with pedestrian access to railroad tracks, which is particularly pressing with the introduction of high-speed rail service along the Northeast Corridor, the Committee directs Amtrak to work closely with the Northeast Corridor communities, as well as state transit officials and owners of the track, to identify danger spots and install perimeter fencing wherever it is needed as quickly as possible. In particular, Amtrak should focus on increased community coordination in urbanized areas where there have been problems or where community concerns have been expressed, such as Attleboro, Foxboro, Mansfield, and Sharon, Massachusetts.

Pennsylvania Station Redevelopment.—The Committee has denied the request for Pennsylvania Station Redevelopment. A total of \$40,000,000 was provided by TEA21 for this project. With this funding, over \$100,000,000 has been provided, fulfilling the federal commitment to this project. The Committee has included a general provision that restricts any federal funding for the James A. Farley/Pennsylvania Station redevelopment project in excess of the original \$100,000,000 federal commitment only for fire and life safety improvements to the East River and North River tunnels and the subterranean complex of Pennsylvania Station.

Administrative support.—The Committee has denied the funding request for the Amtrak Reform Council (ARC) and for an independent financial assessment of Amtrak. Funding for these two activities was provided in the emergency supplemental appropriation for fiscal year 1998. A separate appropriation of \$450,000 has been provided for the ARC under the Office of the Secretary. The Committee believes that it is a conflict of interest to use Amtrak's grant to pay for the expenses of a Council that may recommend restructuring the Corporation in fiscal year 2000 if Amtrak is unable to meet its financial goals or would require an operating subsidy after December 2002.

Highway trust fund.—The Committee has not funded Amtrak from the Highway Trust Fund, as requested by the administration. Amtrak only pays about \$3,000,000 to \$5,000,000 per year in fuel taxes. Appropriating a capital grant from the Highway Trust Fund instead of from the general fund, where the Corporation has been funded historically, would take away money from those who pay their "fair share" into the trust fund. The Committee expects to continue to appropriate grants to Amtrak from the general fund.

Capital definition.—The Administration and Amtrak have requested permission from Congress to use a more flexible definition of the term "capital". They have argued that Amtrak should be able to spend its federal capital appropriations on maintenance of equip-

ment, infrastructure, and facilities. In the past, Amtrak's maintenance costs, such as repairing track and switches and reconditioning rail car components have been generally considered an operating expense. Federal capital grants have not paid for these activities. Instead, capital grants have been used for the purchase of locomotives and passenger cars, the construction of new facilities, and rebuilding of tracks.

Amtrak has indicated that as much as \$542,000,000 of the requested \$621,476,000 may be used to pay for maintenance of equipment, infrastructure and facilities. However, in an analysis of the proposed bill language, Amtrak and the Administration are also requesting that capital funds be used to pay for rail trackage rights. Currently, Amtrak spends about \$100,000,000 for these costs. Thus, if the definition change is approved, Amtrak could spend its entire fiscal year 1999 capital appropriation on what have historically been considered operating expenses.

The Committee has not included bill language expanding the definition of items on which Amtrak can spend its capital appropriations. TRA allows the use of capital funds for "the acquisition of equipment, rolling stock, and other capital improvements, the upgrading of maintenance facilities, and the maintenance of existing equipment in intercity passenger rail service". Statutorily, TRA already provides Amtrak with the flexibility to utilize its capital funds for at least \$340,000,000 of its annual operating expenses on overhauls and the maintenance of existing equipment. Expanding this flexibility to include infrastructure, facilities, and trackage rights would decrease the amount of funds available for capital improvements and equipment overhauls. Amtrak's revised strategic business plan, assuming the definition change, anticipates spending \$1.8 billion (65 percent) of the administration's proposed \$2.8 billion in capital appropriations for maintenance expenses between fiscal year 1999 and 2003 to reduce its net losses and cash-flow deficits. As a result, Amtrak would spend \$800,000,000 less for capital improvements over the next 5 years than it had previously planned under its glidepath approach.

Amtrak has argued in the past that it will reach self-sufficiency only by having ample funding for long-term and deferred capital needs. By not adopting the new "capital" definition beyond what is approved in TRA, the Committee bill ensures that about 40 percent of the appropriation will go towards long-term capital needs. The Committee believes that these capital investments are necessary to increase Amtrak's revenues and reduce costs in the long-term. Accordingly, the Committee disallows the proposed changes in the definition of capital.

Bill language.—The Committee has modified bill language adding the House and Senate Appropriations Committees to those that need to review and approve Amtrak's capital plan.

FEDERAL TRANSIT ADMINISTRATION

SUMMARY OF FISCAL YEAR 1999 PROGRAM

The Federal Transit Administration (FTA) was established as a component of the Department of Transportation on July 1, 1968, when most of the functions and programs under the Federal Tran-

sit Act (78 Stat. 302; 49 U.S.C. 1601 et seq.) were transferred from the Department of Housing and Urban Development. Known as the Urban Mass Transportation Administration until enactment of the Intermodal Surface Transportation Efficiency Act of 1991, the Federal Transit Administration administers federal financial assistance programs for planning, developing and improving comprehensive mass transportation systems in both urban and non-urban areas.

Much of the funding for the Federal Transit Administration is provided by annual limitations on obligations provided in appropriations Acts. However, direct appropriations are required for the Washington Metropolitan Area Transit Authority as well as for portions of other accounts.

The current authorization for the programs funded by the Federal Transit Administration is contained in the Transportation Equity Act for the 21st Century (TEA21). TEA21 also amended the Budget Enforcement Act to provide two additional discretionary spending categories, the highway category and the mass transit category. The mass transit category is comprised of transit formula grants, transit capital funding, Federal Transit Administration administrative expenses, transit planning and research and university transportation center funding. The mass transit category obligations are capped at \$5,365,000,000 and outlays are capped at \$4,401,000,000 in fiscal year 1999. Any additional appropriated funding above the levels specified as guaranteed for each transit program in TEA21 (that which could be appropriated from general funds authorized under 5338(h)) is scored against the non-defense discretionary category.

The total funding provided for FTA for fiscal year 1999 is \$5,365,000,000, including \$1,113,200,000 direct appropriations and \$4,251,000,000 limitations on contract authority. The total recommended is \$521,262,000 over the 1998 enacted level, \$589,308,143 over the fiscal year 1999 budget request, and the same level as guaranteed in TEA21. The following table summarizes the fiscal year 1998 program levels, the fiscal year 1999 budget requests, and the fiscal year 1999 program levels:

Program	1998 enacted	1999 request	Recommended in the bill
Administrative expenses ¹	\$45,738,000	\$48,142,000	\$54,000,000
Formula grants	2,500,000,000		2,850,000,000
Formula programs		3,709,235,000	
University transportation research ¹	6,000,000		6,000,000
Transit planning and research ¹	92,000,000	91,900,000	98,000,000
Capital investment grants	2,000,000,000	876,114,857	2,257,000,000
Job access and reverse commute grants ²		(100,000,000)	50,000,000
Washington Metro	200,000,000	50,300,000	50,000,000
Total	4,843,738,000	4,775,691,857	5,365,000,000

¹ The President's budget proposed that these programs be financed from the highway trust fund, and that the university transportation research program be funded within the transit planning and research program and excludes fiscal year 1998 reductions of \$124,000 for TASC.

² The budget request included a set-aside of \$100,000,000 for job access and reverse commute grants from formula programs.

ADMINISTRATIVE EXPENSES

	<i>Appropriation (general fund)</i>	<i>Limitation on obligations (trust fund)</i>
Appropriation, fiscal year 1998 ¹	\$45,738,000	.....
Budget estimate, fiscal year 1999 ² .....	.....	(\$48,142,000)
Recommended in the bill	10,800,000	(43,200,000)
Bill compared to:		
Appropriation, fiscal year 1998	- 34,938,000-	(+43,200,000)
Budget estimate, fiscal year 1999	+10,800,000	(- 4,942,000)

¹ Excludes reductions of \$124,000 for TASC.

² The budget requested that the appropriation be derived from the highway trust fund.

The bill provides a total appropriation of \$54,000,000 for FTA's salaries and expenses. The recommendation is \$8,262,000 above the 1998 enacted level and \$5,858,000 above the request. This appropriation is guaranteed under the new transit funding category. The recommended appropriation of \$54,000,000 is comprised of an appropriation of \$10,800,000 from the general fund and \$43,200,000 from limitations on obligations from the mass transit account of the highway trust fund.

Full-time equivalent (FTE) staff years.—The Committee observes that the level for administrative expenses provided within the transit category guarantee is significantly above both the 1998 enacted levels and the President's budget request. These funds are available to fund additional FTE; however, while TEA21 imposes additional duties on the FTA, the Committee does not believe appreciable increases in FTE are needed immediately. In fiscal year 1999, the Committee directs the FTE level in fiscal year 1999 not rise in excess of 485 FTE. The Committee will consider further increases above this level as is warranted by the increase in workload imposed by TEA21 on an annual basis.

Project management oversight activities, section 23.—The accompanying bill does not contain a provision limiting the amounts available for project management oversight (PMO) activities, unlike the fiscal year 1998 Department of Transportation and Related Agencies Act, which limited PMO activities to \$15,000,000. As such, the Committee estimates that \$31,300,000 will be available in fiscal year 1999 for project management oversight activities. The Committee has included bill language requiring the FTA to transfer to the Inspector General \$750,000 for reimbursement of audits and financial reviews of major transit projects. Over the past several years, the IG has provided critical oversight of several major transit projects, which the Committee has found invaluable. The Committee anticipates that such oversight activities will be continued by the Inspector General in fiscal year 1999.

The Committee further directs the FTA to increase its financial management oversight activities within the funds provided under section 23. The Committee believes it is imperative that the FTA understand more fully the financing proposals of major transit projects authorized in TEA21 before entering into full funding grants agreements and to identify critical funding deficiencies or inadequate financing plans before such funding shortfalls materialize. The experience to date with projects such as the Los Angeles Metrorail and BART extension to the San Francisco Airport projects suggests a more aggressive approach by the FTA.

Congressional justifications.—The Committee directs the FTA to present the congressional justifications in support of the fiscal year 2000 budget request for the national transit planning and research program with the same level of detail as the budget justifications submitted in support of the intelligent transportation systems and highway research programs in fiscal year 1999. Similarly, the Committee expects that the congressional justifications for administrative expenses and project management oversight activities to be at the same level of detail as provided with the fiscal year 1999 congressional justifications.

Grants management.—In 1992, the General Accounting Office designated FTA's management and oversight of billions of dollars in federal transit grants as a high-risk federal program that was especially vulnerable to waste, fraud, abuse, and mismanagement. FTA has taken several steps over the years to address the oversight weaknesses that were responsible for its high-risk designation. In February 1995, as a result of various initiatives undertaken by the FTA, the GAO removed FTA from its high-risk list. In a follow-up report, however, the GAO noted that though the FTA has increased its focus on grants management oversight, there are still significant opportunities for improvement. The Committee directs the agency: (1) to give more attention to issuing reports on triennial reviews in a timely manner; (2) to require grantees to meet the FTA's time frames for correcting noncompliance findings and deficiencies identified by oversight reviews; (3) to use more effectively an established information system intended to track the resolution of findings; and (4) require that the data in the system be updated by regional office staff. The Committee expects the FTA to report to the House and Senate Committees by December 1, 1999 the steps taken to comply with these directives and milestones by which progress can be assessed.

The Committee recommendation deletes funding for further development of the electronic grants making and management system (–\$240,000). The Committee believes it is more imperative that funds for this activity be available for more critical automation activities including Year 2000 conversion and the triennial review information system.

FORMULA GRANTS

	<i>Appropriation (general fund)</i>	<i>Limitation on obligations (trust fund)</i>
Appropriation, fiscal year 1998	\$240,000,000	(\$2,260,000,000)
Budget estimate, fiscal year 1999 ¹ .....	.....	.....
Recommended in the bill	570,000,000	(2,280,000,000)
Bill compared to:		
Appropriation, fiscal year 1998	+330,000,000	+20,000,000
Budget estimate, fiscal year 1999	+570,000,000	(+2,280,000,000)

¹The budget request proposed to create a new program, formula programs, which was not incorporated in TEA21.

The accompanying bill provides a total of \$2,850,000,000 for transit formula grants. This level is \$350,000,000 above the 1998 enacted level of \$2,500,000,000 and is guaranteed under the new transit category.

The recommended program level of \$2,850,000,000 is comprised of an appropriation of \$570,000,000 from the general fund and

\$2,280,000,000 from limitations on obligations from the mass transit account of the highway trust fund. Formula grants to states and local agencies funded under this heading fall into four categories: urbanized area formula grants (U.S.C. sec. 5307); clean fuels formula grants (U.S.C. sec. 5308); formula grants and loans for special needs of elderly individuals and individuals with disabilities (U.S.C. sec. 5310); and formula grants for other than urbanized areas (U.S.C. sec. 5311). In addition, set asides of formula funds are directed to: a new grant program for intercity bus operators to finance Americans with Disabilities Act (ADA) accessibility costs; and the Alaska Railroad for improvements to its passenger operations.

Within the total funding level of \$2,850,000,000, the new statutory distribution of formula grants is allocated among the following activities:

Urbanized areas (U.S.C. 5307)	\$2,548,190,791
Clean fuels (sec. 5308)	50,000,000
Elderly and disabled (sec. 5310)	67,035,601
Non-urbanized areas (sec. 5311)	177,923,658
Rural transportation accessibility incentive program	2,000,000
Alaska railroad	4,849,950

Section 3007 of the TEA21 amends U.S.C. 5307, urbanized formula grants by striking the authorization to utilize these funds for operating costs, but includes a specific provision allowing the Secretary to make operating grants to urbanized areas with a population of less than 200,000. Generally, these grants may be used to fund capital projects, and to finance planning and improvement costs of equipment, facilities, and associated capital maintenance used in mass transportation. All urbanized areas greater than 200,000 in population are statutorily required to use one percent of their annual formula grants on enhancements, which include landscaping, public art, bicycle storage, and connections to parks.

Major project preliminary engineering and design (PE&D) activities.—The accompanying bill provides appreciable increases in formula funds allocated to transit authorities. These funds can be used, among other activities, for preliminary engineering and design of new rail extensions or busways. The Committee asserts that local project sponsors of new rail extensions or busways should use these funds for preliminary engineering and design activities rather than seek section 5309 discretionary set-asides. Moreover, the Committee expects the FTA, when evaluating the local financial commitment of a given project, to consider the extent to which the project's sponsors have used the appreciable increases in the formula grants apportionments for preliminary engineering and design activities of proposed new systems.

Clean fuels program.—TEA21 requires that \$50,000,000 be set aside from funds made available under the formula grants program to fund a new clean fuels program. The clean fuels program is supplemented by an additional set-aside from the major capital investment's bus program and provides grants for the purchase or lease of clean fuel buses for eligible recipients in areas that are not in compliance with air quality attainment standards. The Committee has identified designated recipients of these funds within the

projects listed under the bus program component of the capital investment grants account.

Los Angeles County Metropolitan Transportation Authority.—Of the \$171,144,864 allocated to Los Angeles, California, the Committee expects that \$25,000,000 shall be made available for the purchase of new buses to comply with the bus consent decree.

San Francisco, California and the Presidio.—Over the past several years, the Congress has invested substantial resources to incorporate the Presidio into the Golden Gate National Recreation Area. To that end, and because of the benefits the Presidio provides to the local community, the Committee expects that the city of San Francisco and the municipal transportation authority will ensure that necessary and ample public transportation services are available to the park, its visitors and workers, and the surrounding community. The federal investment in San Francisco's transportation projects is intended to serve the entire local community, including transportation service to the Presidio.

The following table displays the state-by-state distribution of the formula program funds within each of the program categories:

FEDERAL TRANSIT ADMINISTRATION FISCAL YEAR 1999 APPOINTMENTS FOR FORMULA PROGRAMS (BY STATE AND UZA)

STATE/URBANIZED AREA	Section 5307 Urbanized Area Formula Apportionment	Section 5311 Nonurbanized Formula Apportionment	Section 5310 Elderly and Persons with Disabilities Apportionment	Total Formula Programs	Change from FY 1998
Alabama Total	11,448,978	4,228,788	1,166,647	16,844,413	2,146,819
Anniston, AL	441,153	-	-	441,153	41,214
Auburn-Opelika, AL	353,937	-	-	353,937	33,066
Birmingham, AL	3,692,988	-	-	3,692,988	345,011
Columbus, GA-AL	116,984	-	-	116,984	10,929
Dallas, AL	403,951	-	-	403,951	37,738
Dothan, AL	339,288	-	-	339,288	31,697
Flomona, AL	472,680	-	-	472,680	44,159
Greenville, AL	417,770	-	-	417,770	39,029
Hamoville, AL	1,326,187	-	-	1,326,187	123,897
Mobile, AL	1,876,389	-	-	1,876,389	175,298
Montgomery, AL	1,189,039	-	-	1,189,039	111,084
Tuscaloosa, AL	818,613	-	-	818,613	76,477
Alaska Total	2,884,889	636,682	186,871	3,708,442	388,815
Anchorage, AK	2,084,859	-	-	2,084,859	194,774
American Samoa Total	-	89,888	83,397	173,285	21,634
Arizona Total	28,863,235	1,861,249	1,833,743	31,738,227	3,389,827
Flagstaff, AZ	470,966	-	-	470,966	43,999
Phoenix, AZ	20,145,841	-	-	20,145,841	1,882,090
Tucson, AZ	7,530,233	-	-	7,530,233	702,544
Yuma, AZ-CA	726,196	-	-	726,196	67,844
Arkansas Total	4,437,872	3,306,734	812,884	8,557,490	1,275,641
Fayetteville-Springdale, AR	482,261	-	-	482,261	45,054
Fort Smith, AR-OK	656,489	-	-	656,489	61,331
Little Rock-North Little Rock, AR	2,548,717	-	-	2,548,717	238,109
Memphis, TN-AR-MS	140,920	-	-	140,920	13,165
Pine Bluff, AR	443,642	-	-	443,642	41,446
Texasark, TX-AR	165,043	-	-	165,043	15,419
California Total	484,828,386	8,381,369	6,371,372	499,581,127	48,378,811
Amador-Parabola, CA	1,513,724	-	-	1,513,724	141,417
Bakersfield, CA	3,137,919	-	-	3,137,919	293,155
Chico, CA	660,923	-	-	660,923	61,746
Davis, CA	802,318	-	-	802,318	74,955
Fairfield, CA	974,445	-	-	974,445	91,036
Fresno, CA	4,088,122	-	-	4,088,122	437,979
Hemet-San Jacinto, CA	812,975	-	-	812,975	75,951
Hesperia-Apple Valley-Victoria, CA	1,037,119	-	-	1,037,119	96,891
Indio-Coachella, CA	491,584	-	-	491,584	45,925
Lancaster-Palmdale, CA	1,744,462	-	-	1,744,462	162,973
Lodi, CA	682,948	-	-	682,948	63,803
Lompoc, CA	419,436	-	-	419,436	39,185
Los Angeles, CA	171,144,864	-	-	171,144,864	15,988,907
Merced, CA	745,675	-	-	745,675	69,663
Modesto, CA	2,569,546	-	-	2,569,546	240,055
Napa, CA	779,150	-	-	779,150	72,791
Oxnard-Ventura, CA	6,333,983	-	-	6,333,983	591,741
Palo Alto, CA	970,690	-	-	970,690	90,685
Redding, CA	561,269	-	-	561,269	52,436
Riverside-San Bernardino, CA	15,266,286	-	-	15,266,286	1,426,226
Sacramento, CA	11,715,870	-	-	11,715,870	1,094,534
Salinas, CA	1,476,992	-	-	1,476,992	137,985
San Diego, CA	34,984,693	-	-	34,984,693	3,268,383
San Francisco-Oakland, CA	98,884,660	-	-	98,884,660	9,238,125
San Jose, CA	26,109,083	-	-	26,109,083	2,439,195
San Luis Obispo, CA	699,451	-	-	699,451	65,345
Santa Barbara, CA	2,284,976	-	-	2,284,976	213,470
Santa Cruz, CA	1,181,535	-	-	1,181,535	110,383
Santa Maria, CA	1,074,972	-	-	1,074,972	100,427
Santa Rosa, CA	2,084,252	-	-	2,084,252	194,718
Seaside-Monterey, CA	1,400,574	-	-	1,400,574	130,846
Simi Valley, CA	1,325,744	-	-	1,325,744	123,855
Stockton, CA	3,218,614	-	-	3,218,614	300,693
Visalia, CA	804,824	-	-	804,824	75,189
Yuba, CA	919,285	-	-	919,285	85,883
Waco, CA	506,450	-	-	506,450	47,314
Yuba City, CA	808,094	-	-	808,094	75,495
Yuma, AZ-CA	2,877	-	-	2,877	269
Colorado Total	31,175,376	1,761,316	794,916	33,731,608	3,386,886
Boulder, CO	1,097,452	-	-	1,097,452	102,527
Colorado Springs, CO	3,587,297	-	-	3,587,297	335,137

FEDERAL TRAMIT ADMINISTRATION FISCAL YEAR 1999 APPORTIONMENTS FOR FORMULA PROGRAMS (BY STATE AND LEA)

STATE/UNBUNDLED AREA	Section 5307 Urbanized Area Formula Apportionment	Section 5311 Nonurbanized Formula Apportionment	Section 5310 Elderly and Persons with Disabilities Formula Apportionment	Total Formula Programs	Change from FY 1998
Denver, CO	22,656,043	-	-	22,656,043	2,116,601
Fort Collins, CO	914,073	-	-	914,073	85,396
Grand Junction, CO	520,437	-	-	520,437	48,621
 Greeley, CO	731,080	-	-	731,080	68,301
Longmont, CO	666,235	-	-	666,235	62,242
Pueblo, CO	1,002,749	-	-	1,002,749	93,680
Connecticut Total	36,897,313	1,897,880	916,399	39,648,788	3,763,884
Bridgport-Milford, CT	3,648,768	-	-	3,648,768	340,880
Bridgeport, CT	777,364	-	-	777,364	72,624
Danbury, CT-NY	1,863,948	-	-	1,863,948	174,136
Danbury, CT-NY	844,572	-	-	844,572	78,503
Meriden-Middletown, CT	7,664,951	-	-	7,664,951	716,085
New Britain, CT	1,455,807	-	-	1,455,807	135,088
New Haven-Meriden, CT	6,948,612	-	-	6,948,612	649,162
New London-Norwich, CT	1,171,337	-	-	1,171,337	109,430
New York, NY-Hartford-NH	710,015	-	-	710,015	66,332
Meriden, CT	1,866,856	-	-	1,866,856	174,408
Meriden, CT	1,003,793	-	-	1,003,793	93,778
Springfield, MA-CT	379,076	-	-	379,076	35,415
Stamford, CT-NY	1,866,856	-	-	1,866,856	174,408
Stamford, CT-NY	1,785,774	-	-	1,785,774	166,833
Waterbury, CT	1,866,856	-	-	1,866,856	174,408
Waterbury, CT	1,690,887	-	-	1,690,887	157,034
Worcester, MA-CT	2,040	-	-	2,040	191
Delaware Total	4,971,340	378,083	278,609	5,648,082	563,434
Dover, DE	372,086	-	-	372,086	34,761
Wilmington, DE-NJ-MD-PA	4,699,174	-	-	4,699,174	420,327
District of Columbia Total	19,766,462	-	276,630	20,043,092	1,888,774
Washington, DC-MD-VA	19,766,462	-	-	19,766,462	1,846,647
Florida Total	131,896,680	5,364,380	4,333,063	137,572,348	12,978,646
Daytona Beach, FL	2,999,611	-	-	2,999,611	274,628
Dade County, FL	377,083	-	-	377,083	35,226
Fort Myers-Cape Coral, FL	1,943,503	-	-	1,943,503	181,548
Fort Pierce, FL	903,245	-	-	903,245	84,384
Fort Walton Beach, FL	875,578	-	-	875,578	81,799
FL Landmarks-Hollywood-Pompano Bch, FL	17,269,961	-	-	17,269,961	1,613,416
Chesapeake, FL	1,122,109	-	-	1,122,109	104,831
Jacksonville, FL	6,976,313	-	-	6,976,313	651,730
Kissimmee, FL	522,644	-	-	522,644	48,827
Lakeland, FL	1,147,137	-	-	1,147,137	107,169
Melbourne-Palm Bay, FL	3,083,352	-	-	3,083,352	288,057
Miami-Miami, FL	33,115,378	-	-	33,115,378	3,089,746
Naples, FL	754,972	-	-	754,972	70,532
Orlando, FL	507,150	-	-	507,150	47,380
Orlando, FL	12,440,156	-	-	12,440,156	1,162,300
Panama City, FL	761,093	-	-	761,093	71,104
Pensacola, FL	1,717,653	-	-	1,717,653	160,469
Punta Gorda, FL	497,709	-	-	497,709	46,498
Sarasota-Sarasota, FL	3,497,700	-	-	3,497,700	326,766
Spring Hill, FL	380,472	-	-	380,472	35,545
Stuart, FL	663,839	-	-	663,839	62,020
Tallahassee, FL	1,279,148	-	-	1,279,148	119,802
Tampa-St. Petersburg-Clearwater, FL	14,888,960	-	-	14,888,960	1,389,106
Titusville, FL	366,166	-	-	366,166	34,208
Vero Beach, FL	463,736	-	-	463,736	43,324
West Palm Beach-Boca Raton-Delray Bch, FL	12,642,062	-	-	12,642,062	1,181,062
Winter Haven, FL	718,275	-	-	718,275	67,104
Georgia Total	44,894,889	4,182,856	1,888,895	51,466,632	5,779,183
Albany, GA	614,989	-	-	614,989	57,454
Atlanta, GA	389,633	-	-	389,633	35,085
Atlanta, GA	36,944,474	-	-	36,944,474	3,451,472
Augusta, GA-SC	1,345,978	-	-	1,345,978	125,746
Brownsville, GA	339,314	-	-	339,314	31,700
Chattanooga, TN-GA	164,324	-	-	164,324	15,332
Columbus, GA-AL	1,381,941	-	-	1,381,941	129,105
Macon, GA	1,102,272	-	-	1,102,272	102,978
Rome, GA	345,912	-	-	345,912	32,316
Savannah, GA	1,442,307	-	-	1,442,307	134,736
Warner Robins, GA	330,767	-	-	330,767	29,386
Illinois Total	288,869	135,973	388,840	813,682	76,681

FEDERAL TRANSIT ADMINISTRATION FISCAL YEAR 1999 APPOINTMENTS FOR FORMULA PROGRAMS (BY STATE AND UZA)

STATE/URBANIZED AREA	Section 5307 Urbanized Area Formula Apportionment	Section 5311 Nonurbanized Formula Apportionment	Section 5310 Elderly and Person with Disability Apportionment	Total Formula Programs	Change from FY 1998
Hawaii Total	19,716,764	603,399	363,487	20,723,140	2,882,686
Honolulu, HI	18,396,154	-	-	18,396,154	1,718,638
Kaun, HI	1,319,591	-	-	1,319,591	123,380
Idaho Total	2,611,787	1,488,688	341,658	4,478,327	895,764
Boise City, ID	1,598,140	-	-	1,598,140	149,303
Idaho Falls, ID	572,902	-	-	572,902	53,522
Pocatello, ID	440,665	-	-	440,665	41,148
Illinois Total	178,288,642	6,672,489	3,797,694	186,658,845	18,248,783
Alton, IL	446,513	-	-	446,513	40,399
Aurora, IL	1,810,895	-	-	1,810,895	168,161
Bell, IL	82,629	-	-	82,629	7,720
Bloomington-Normal, IL	1,041,534	-	-	1,041,534	97,300
Champaign-Urbana, IL	1,469,887	-	-	1,469,887	137,314
Chicago, IL-Northwestern IN	159,025,546	-	-	159,025,546	14,856,681
Crystal Lake, IL	590,144	-	-	590,144	55,133
Davenport-Rock Island-Moline, IA-IL	1,517,171	-	-	1,517,171	141,739
Deerfield, IL	827,360	-	-	827,360	77,295
Dubuque, IA-IL	19,272	-	-	19,272	1,800
Evanston, IL	1,306,146	-	-	1,306,146	122,034
Joliet, IL	1,510,383	-	-	1,510,383	141,096
Kankakee, IL	592,743	-	-	592,743	55,376
Peoria, IL	1,720,867	-	-	1,720,867	160,760
Rockford, IL	1,637,173	-	-	1,637,173	152,950
Round Lake Beach-McHenry, IL-WI	860,126	-	-	860,126	80,356
Springfield, IL	1,205,883	-	-	1,205,883	112,639
St. Louis, MO-IL	2,336,973	-	-	2,336,973	218,328
Indiana Total	26,838,949	6,479,486	1,438,171	34,806,646	4,881,343
Anderson, IN	563,964	-	-	563,964	52,687
Bloomington, IN	841,573	-	-	841,573	78,623
Chicago, IL-Northwestern IN	8,892,104	-	-	8,892,104	830,729
Elkhart-Goshen, IN	843,470	-	-	843,470	78,800
Evansville, IN-KY	1,562,522	-	-	1,562,522	145,976
Fort Wayne, IN	1,729,900	-	-	1,729,900	161,613
Indianapolis, IN	8,157,834	-	-	8,157,834	762,131
Kokomo, IN	567,932	-	-	567,932	53,028
Lafayette-West Lafayette, IN	1,128,082	-	-	1,128,082	105,483
Louisville, KY-IN	489,406	-	-	489,406	45,722
Muncie, IN	830,018	-	-	830,018	77,543
South Bend-Mishawaka, IN-MI	1,792,363	-	-	1,792,363	167,448
Terre Haute, IN	638,739	-	-	638,739	59,673
Iowa Total	7,342,478	3,824,466	873,739	11,799,689	1,884,159
Cedar Rapids, IA	1,180,404	-	-	1,180,404	110,277
Davenport-Rock Island-Moline, IA-IL	1,039,666	-	-	1,039,666	97,129
Des Moines, IA	2,289,784	-	-	2,289,784	212,051
Dubuque, IA-IL	574,547	-	-	574,547	53,676
Iowa City, IA	880,119	-	-	880,119	83,539
Omaha, NE-IA	234,664	-	-	234,664	21,923
Silver City, IA-NE-SD	628,158	-	-	628,158	58,685
Wauson-Cedar Falls, IA	735,135	-	-	735,135	68,679
Kansas Total	6,877,336	2,888,681	733,364	10,413,189	1,389,684
Kansas City, MO-KS	2,204,973	-	-	2,204,973	205,996
Lawrence, KS	698,389	-	-	698,389	65,244
St. Joseph, MO-KS	5,765	-	-	5,765	539
Topeka, KS	1,140,080	-	-	1,140,080	106,511
Wichita, KS	2,828,039	-	-	2,828,039	264,505
Kentucky Total	14,117,306	4,628,133	1,113,476	19,887,914	2,881,478
Cincinnati, OH-KY	2,321,365	-	-	2,321,365	216,869
Chattanooga, TN-KY	177,363	-	-	177,363	16,570
Evansville, IN-KY	217,797	-	-	217,797	20,547
Huntington-Ashland, WV-KY-OH	434,324	-	-	434,324	40,576
Lexington-Fayette, KY	1,713,671	-	-	1,713,671	160,097
Louisville, KY-IN	8,628,720	-	-	8,628,720	806,123
Owensboro, KY	624,065	-	-	624,065	58,302
Louisiana Total	33,486,346	3,887,891	1,116,863	38,649,229	3,897,326
Alexandria, LA	628,196	-	-	628,196	58,688
Baton Rouge, LA	2,655,045	-	-	2,655,045	248,043
Home, LA	441,872	-	-	441,872	41,281

FEDERAL TRANSIT ADMINISTRATION FISCAL YEAR 1999 APPORTIONMENTS FOR FORMULA PROGRAMS (BY STATE AND AREA)

STATE/URBANIZED AREA	Section 5307 Urbanized Area Formula Apportionment	Section 5311 Nonurbanized Formula Apportionment	Section 5310 Elderly and Persons with Disabilities Apportionment	Total Formula Programs	Change from FY 1998
Lafayette, LA	1,086,931	-	-	1,086,931	101,545
Lake Charles, LA	873,113	-	-	873,113	81,549
Metairie, LA	830,197	-	-	830,197	77,560
New Orleans, LA	14,234,179	-	-	14,234,179	1,339,880
Shreveport, LA	2,411,321	-	-	2,411,321	225,373
Slidell, LA	444,511	-	-	444,511	41,528
Mississippi Total	1,877,884	1,877,883	488,311	4,244,078	644,889
Biloxi, MS	384,980	-	-	384,980	35,966
Lexington-Auburn, MS	447,341	-	-	447,341	41,792
Portland, MS	956,918	-	-	956,918	88,361
Portsmouth-Corpus Christi, MS-MS	94,697	-	-	94,697	7,913
Maryland Total	66,788,184	2,308,979	1,131,323	70,228,486	6,889,888
Annapolis, MD	678,387	-	-	678,387	63,385
Baltimore, MD	30,783,325	-	-	30,783,325	2,875,878
Cumtucket, MD-WV	360,609	-	-	360,609	33,711
Fredrick, MD	489,634	-	-	489,634	45,740
Hagerstown, MD-PA-WV	554,332	-	-	554,332	51,788
Washington, DC-MD-VA	33,878,190	-	-	33,878,190	3,165,010
Wilmington, DE-DC-MD-PA	48,177	-	-	48,177	4,501
Massachusetts Total	97,116,697	2,477,289	1,613,644	101,207,630	9,789,688
Boston, MA	70,447,541	-	-	70,447,541	6,581,437
Brockton, MA	1,507,297	-	-	1,507,297	140,817
Fall River, MA-NJ	1,470,108	-	-	1,470,108	137,342
Fitchburg-Lowell, MA	395,732	-	-	395,732	36,657
Hypocis, MA	425,430	-	-	425,430	39,745
Lawrence-Haverhill, MA-NH	2,903,286	-	-	2,903,286	269,882
Lewell, MA-NH	1,865,788	-	-	1,865,788	174,309
New Bedford, MA	1,614,805	-	-	1,614,805	151,047
Pittsfield, MA	385,113	-	-	385,113	35,979
Providence-Farmington, RI-MA	6,545,990	-	-	6,545,990	611,348
Springfield, MA-CT	5,126,381	-	-	5,126,381	478,923
Tyngton, MA	385,145	-	-	385,145	35,983
Worcester, MA-CT	3,955,345	-	-	3,955,345	367,653
Michigan Total	88,678,971	6,488,789	2,342,899	97,510,659	8,897,188
Ann Arbor, MI	3,164,888	-	-	3,164,888	295,672
Battle Creek, MI	588,086	-	-	588,086	54,942
Bay City, MI	456,597	-	-	456,597	41,579
Beaumont Harbor, MI	475,223	-	-	475,223	44,397
Detroit, MI	30,488,727	-	-	30,488,727	2,848,975
Flint, MI	3,389,345	-	-	3,389,345	314,775
Grand Rapids, MI	3,545,837	-	-	3,545,837	331,264
Holland, MI	533,351	-	-	533,351	49,827
Ironstone, MI	656,636	-	-	656,636	61,345
Kalamazoo, MI	1,417,976	-	-	1,417,976	132,472
Lansing-East Lansing, MI	2,864,553	-	-	2,864,553	267,614
Marquette, MI	864,907	-	-	864,907	80,802
Port Huron, MI	589,212	-	-	589,212	55,178
Saginaw, MI	1,279,073	-	-	1,279,073	119,495
South Bend-Mishawaka, IN-MI	187,823	-	-	187,823	17,547
Toledo, OH-MI	87,348	-	-	87,348	8,189
Minnesota Total	25,336,646	3,881,348	1,177,889	30,395,883	3,346,674
Duluth, MN-WI	610,640	-	-	610,640	57,048
Fargo-Moorhead, ND-MN	353,076	-	-	353,076	32,986
Grand Forks, ND-MN	77,382	-	-	77,382	7,229
La Crosse, WI-MN	37,597	-	-	37,597	3,541
Marquette-St. Paul, MN	22,828,672	-	-	22,828,672	2,132,728
Rochester, MN	688,739	-	-	688,739	64,344
St. Cloud, MN	741,630	-	-	741,630	69,285
Mississippi Total	4,891,438	3,788,333	789,841	9,469,612	1,338,948
Biloxi-Gulfport, MS	1,333,819	-	-	1,333,819	124,610
Hattiesburg, MS	415,712	-	-	415,712	38,837
Jackson, MS	1,762,067	-	-	1,762,067	164,618
Memphis, TN-AR-MS	115,018	-	-	115,018	10,745
Pascagoula, MS	404,817	-	-	404,817	37,819
Missouri Total	26,788,448	4,488,789	1,488,410	32,765,647	3,068,817
Columbia, MO	384,102	-	-	384,102	34,726
Joplin, MO	411,606	-	-	411,606	38,434
Kansas City, MO-KS	6,434,089	-	-	6,434,089	601,094
Springfield, MO	1,382,679	-	-	1,382,679	128,174

FEDERAL TRANSIT ADMINISTRATION FISCAL YEAR 1999 APPORTIONMENTS FOR FORMULA PROGRAMS (BY STATE AND UZA)

STATE/URBANIZED AREA	Section 5307 Urbanized Area Formula Apportionment	Section 5311 Metropolitan Formula Apportionment	Section 5310 Elderly and Persons with Disabilities Apportionment	Total Formula Programs	Change from FY 1998
St. Joseph, MO-KS	388,335	-	-	388,335	54,964
St. Louis, MO-IL	19,385,642	-	-	19,385,642	1,811,009
Montana Total	1,976,588	1,134,113	338,096	3,448,797	471,632
Butte, MT	762,172	-	-	762,172	71,305
Great Falls, MT	710,740	-	-	710,740	66,400
Missoula, MT	503,369	-	-	503,369	47,026
Nebraska Total	7,882,389	1,711,331	817,396	9,580,077	1,898,488
Lincoln, NE	2,101,979	-	-	2,101,979	196,374
Omaha, NE-KS	4,825,231	-	-	4,825,231	450,789
Sioux City, IA-NE-SD	95,040	-	-	95,040	8,879
Nevada Total	16,694,788	888,691	388,888	16,881,374	1,683,882
Las Vegas, NV	12,493,949	-	-	12,493,949	1,167,225
Reno, NV	3,122,849	-	-	3,122,849	291,747
New Hampshire Total	1,788,884	1,479,387	364,787	4,632,989	638,691
Lawrence-Beverly, MA-NH	100,962	-	-	100,962	9,432
Lowell, MA-NH	5,461	-	-	5,461	510
Manchester, NH	1,118,456	-	-	1,118,456	104,490
Nashua, NH	894,395	-	-	894,395	83,557
Portsmouth-Dover-Rochester, NH-ME	649,683	-	-	649,683	60,694
New Jersey Total	184,886,783	2,118,889	1,504,388	186,889,976	14,782,871
Allentown-Bethlehem-Scranton, PA-NJ	179,779	-	-	179,779	16,796
Atlantic City, NJ	1,457,024	-	-	1,457,024	136,120
New York, NY-Northeastern NJ	123,938,101	-	-	123,938,101	11,378,698
Philadelphia, PA-NJ	19,968,288	-	-	19,968,288	1,865,592
Trenton, NJ-PA	4,238,728	-	-	4,238,728	395,596
Vineland-Millsboro, NJ	564,438	-	-	564,438	52,733
Wilmington, DE-NJ-MD-PA	187,374	-	-	187,374	17,565
New Mexico Total	8,886,886	1,688,741	488,491	9,884,118	978,617
Albuquerque, NM	4,787,915	-	-	4,787,915	447,380
El Paso, TX-NM	27,365	-	-	27,365	2,547
Las Cruces, NM	611,508	-	-	611,508	57,129
Santa Fe, NM	489,304	-	-	489,304	45,712
New York Total	488,088,883	7,446,330	4,481,783	494,995,834	44,697,839
Albany-Schenectady-Troy, NY	5,987,288	-	-	5,987,288	557,483
Binghamton, NY	1,533,087	-	-	1,533,087	143,321
Bridgespan-Milford, CT	1,886,857	-	-	1,886,857	174,488
Buffalo-Niagara Falls, NY	10,779,888	-	-	10,779,888	1,007,095
Dutchess, CT-NY	28,779	-	-	28,779	1,941
Elmira, NY	628,514	-	-	628,514	58,811
Glen Falls, NY	432,507	-	-	432,507	40,444
Ithaca, NY	436,923	-	-	436,923	40,819
New Haven-Meriden, CT	1,839,180	-	-	1,839,180	171,822
New York, NY-Northeastern NJ	417,888,428	-	-	417,888,428	39,049,083
Westchester, NY	567,338	-	-	567,338	53,004
Yonkers, NY	1,191,811	-	-	1,191,811	111,343
Rochester, NY	4,357,827	-	-	4,357,827	393,589
Stamford, CT-NY	141	-	-	141	13
Syracuse, NY	4,166,463	-	-	4,166,463	389,244
Utica-Rensselaer, NY	1,295,133	-	-	1,295,133	120,997
North Carolina Total	23,137,689	7,088,991	1,789,891	21,796,518	4,888,891
Asheville, NC	765,323	-	-	765,323	71,499
Burlington, NC	555,177	-	-	555,177	51,864
Charlotte, NC	5,187,912	-	-	5,187,912	484,671
Durham, NC	2,874,925	-	-	2,874,925	268,385
Fayetteville, NC	1,478,747	-	-	1,478,747	138,149
Gastonia, NC	812,912	-	-	812,912	75,945
Goldensboro, NC	422,165	-	-	422,165	39,440
Greensboro, NC	1,748,412	-	-	1,748,412	163,342
Greenville, NC	486,077	-	-	486,077	45,411
Hickory, NC	463,584	-	-	463,584	43,309
High Point, NC	781,774	-	-	781,774	73,036
Jacksonville, NC	754,772	-	-	754,772	70,513
Kannapolis, NC	544,881	-	-	544,881	50,905
Raleigh, NC	2,680,865	-	-	2,680,865	250,464
Rocky Mount, NC	435,566	-	-	435,566	40,892
Wilmington, NC	712,428	-	-	712,428	66,557

FEDERAL TRANSIT ADMINISTRATION FISCAL YEAR 1999 APPORTIONMENTS FOR FORMULA PROGRAMS (BY STATE AND UZA)

STATE/URBANIZED AREA	Section 5307 Urbanized Area Formula Apportionment	Section 5311 Nonurbanized Formula Apportionment	Section 5310 Elderly and Persons with Disabilities Apportionment	Total Formula Programs	Change from FY 1998
Winston-Salem, NC	1,432,078	-	-	1,432,078	133,789
North Dakota Total	1,506,697	836,736	283,286	3,648,479	392,638
Bismarck, ND	555,520	-	-	555,520	31,899
Fargo-Moorhead, ND-MN	803,425	-	-	803,425	75,059
Grand Forks, ND-MN	567,551	-	-	567,551	53,022
Northern Mariana Total	-	83,359	83,359	136,483	26,837
Ohio Total	78,548,826	8,881,948	2,886,940	88,876,689	8,888,137
Akron, OH	5,328,877	-	-	5,328,877	497,841
Canton, OH	1,606,434	-	-	1,606,434	150,078
Cincinnati, OH-KY	10,253,855	-	-	10,253,855	957,948
Cleveland, OH	21,897,774	-	-	21,897,774	2,045,761
Columbus, OH	9,791,566	-	-	9,791,566	914,760
Dayton, OH	10,189,296	-	-	10,189,296	951,917
Hamilton, OH	1,094,837	-	-	1,094,837	102,283
Huntington-Ashland, WV-KY-OH	278,304	-	-	278,304	26,047
Lima, OH	598,364	-	-	598,364	55,901
Lorain-Elyria, OH	1,190,035	-	-	1,190,035	111,177
Mansfield, OH	577,697	-	-	577,697	53,970
Middletown, OH	752,780	-	-	752,780	70,325
Muskegon, OH	456,648	-	-	456,648	42,848
Painesburg, WV-OH	67,915	-	-	67,915	6,345
Sharon, PA-OH	44,785	-	-	44,785	4,184
Springfield, OH	870,740	-	-	870,740	81,347
Steubenville-Weirton, OH-WV-PA	313,280	-	-	313,280	29,266
Toledo, OH-MI	4,381,975	-	-	4,381,975	408,378
Worthing, WV-OH	239,162	-	-	239,162	22,343
Youngstown-Weirton, OH	2,225,043	-	-	2,225,043	207,871
Ohio Total	9,323,663	3,442,385	988,841	13,726,389	1,788,671
Fort Smith, AR-OK	14,463	-	-	14,463	1,351
Lawton, OK	809,982	-	-	809,982	75,671
Okemah City, OK	4,431,013	-	-	4,431,013	413,960
Tulsa, OK	4,088,205	-	-	4,088,205	380,685
Oregon Total	23,367,684	2,733,863	888,275	26,889,399	2,755,458
Eugene-Springfield, OR	2,023,849	-	-	2,023,849	189,075
Longview, WA-OR	13,460	-	-	13,460	1,257
Medford, OR	625,463	-	-	625,463	58,433
Portland-Vancouver, OR-WA	17,967,595	-	-	17,967,595	1,678,591
Salem, OR	1,636,688	-	-	1,636,688	152,903
Pennsylvania Total	136,888,347	8,981,981	3,454,887	137,464,814	14,888,679
Allentown-Bethlehem-Easton, PA-NJ	3,930,591	-	-	3,930,591	367,308
Allentown, PA	767,818	-	-	767,818	71,732
Bite, PA	1,975,194	-	-	1,975,194	184,529
Hagerstown, MD-PA-WV	6,767	-	-	6,767	632
Harrisburg, PA	1,973,792	-	-	1,973,792	184,398
Johannston, PA	708,048	-	-	708,048	66,148
Lancaster, PA	1,785,831	-	-	1,785,831	166,838
Lebanon, PA	485,596	-	-	485,596	45,403
Philadelphia, PA-NJ	76,522,559	-	-	76,522,559	7,148,985
Pittsburgh, PA	27,495,188	-	-	27,495,188	2,588,689
Pottstown, PA	461,183	-	-	461,183	43,085
Reading, PA	2,084,645	-	-	2,084,645	194,754
Scranton-Wilkes-Barre, PA	2,929,870	-	-	2,929,870	273,718
Sharon, PA-OH	322,871	-	-	322,871	30,164
State College, PA	671,973	-	-	671,973	62,778
Steubenville-Weirton, OH-WV-PA	2,347	-	-	2,347	219
Trouton, NJ-PA	215,666	-	-	215,666	20,148
Williamsport, PA	563,294	-	-	563,294	52,623
Wilmington, DE-NJ-MD-PA	751,029	-	-	751,029	70,164
York, PA	1,403,586	-	-	1,403,586	131,128
Puerto Rico Total	38,116,904	3,684,889	847,886	41,649,679	4,388,781
Agua Fria, PR	908,370	-	-	908,370	84,863
Arecibo, PR	848,738	-	-	848,738	79,294
Caguas, PR	2,222,777	-	-	2,222,777	207,699
Cayey, PR	657,193	-	-	657,193	61,397
Hammer, PR	568,787	-	-	568,787	53,138
Mayaguez, PR	1,222,009	-	-	1,222,009	114,167
Ponce, PR	2,719,404	-	-	2,719,404	254,056
San Juan, PR	27,732,955	-	-	27,732,955	2,593,902
Vega Baja-Miniati, PR	1,235,640	-	-	1,235,640	115,437

FEDERAL TRANSIT ADMINISTRATION FISCAL YEAR 1999 APPORTIONMENTS FOR FORMULA PROGRAMS (BY STATE AND UZA)

STATE/URBANIZED AREA	Section 5307 Urbanized Area Formula Apportionment	Section 5311 Nonurbanized Formula Apportionment	Section 5310 Elderly and Persons with Disabilities Apportionment	Total Formula Programs	Change from FY 1998
Rhode Island Total	8,372,466	345,837	402,888	9,121,191	886,331
Pall River, MA-RI	151,308	-	-	151,308	14,134
Newport, RI	508,398	-	-	508,398	47,590
Providence-Farmington, RI-MA	7,711,561	-	-	7,711,561	720,439
South Carolina Total	9,689,178	3,888,489	928,896	14,507,563	1,968,785
Anderson, SC	376,424	-	-	376,424	35,167
Augusta, GA-SC	230,485	-	-	230,485	23,400
Charleston, SC	2,572,339	-	-	2,572,339	240,316
Columbia, SC	2,419,180	-	-	2,419,180	236,088
Florence, SC	387,182	-	-	387,182	36,172
Greenville, SC	1,609,306	-	-	1,609,306	150,347
Myrtle Beach, SC	404,033	-	-	404,033	37,933
Rock Hill, SC	431,120	-	-	431,120	40,277
Spartanburg, SC	751,337	-	-	751,337	70,211
Spartan, SC	446,566	-	-	446,566	41,729
South Dakota Total	1,388,766	1,022,343	306,888	2,717,997	288,689
Rapid City, SD	442,684	-	-	442,684	41,349
Spear City, IA-NE-SD	12,410	-	-	12,410	1,139
Spear Falls, SD	934,703	-	-	934,703	87,323
Tennessee Total	16,996,999	6,108,987	1,348,761	24,454,747	3,088,887
Bristol, TN-VA	201,039	-	-	201,039	18,782
Chattanooga, TN-GA	2,006,842	-	-	2,006,842	187,486
Chattanooga, TN-KY	480,166	-	-	480,166	45,799
Johnson, TN	371,009	-	-	371,009	34,660
Johnson City, TN	565,539	-	-	565,539	52,834
Kingsport, TN-VA	523,084	-	-	523,084	48,888
Knoxville, TN	2,131,414	-	-	2,131,414	199,134
Memphis, TN-AR-MO	7,902,112	-	-	7,902,112	728,341
Nashville, TN	4,888,786	-	-	4,888,786	448,972
Texas Total	134,378,000	10,788,600	3,636,746	148,803,346	16,119,309
Abilene, TX	706,544	-	-	706,544	66,688
Amarillo, TX	1,310,480	-	-	1,310,480	122,429
Austin, TX	10,894,725	-	-	10,894,725	1,009,412
Brownsville, TX	901,325	-	-	901,325	84,305
Brownsville, TX	1,310,045	-	-	1,310,045	122,389
Bryan-College Station, TX	877,519	-	-	877,519	81,581
Corpus Christi, TX	3,393,368	-	-	3,393,368	317,049
Dallas-Fort Worth, TX	34,139,387	-	-	34,139,387	3,189,412
Dallas, TX	474,012	-	-	474,012	44,284
El Paso, TX-NM	7,696,779	-	-	7,696,779	719,028
Odessa, TX	302,818	-	-	302,818	28,573
Houston, TX	643,822	-	-	643,822	60,131
Houston, TX	37,541,172	-	-	37,541,172	3,507,218
Killeen, TX	1,231,511	-	-	1,231,511	115,052
Lubbock, TX	1,555,354	-	-	1,555,354	145,304
Lubbock, TX	547,206	-	-	547,206	51,122
Longview, TX	538,382	-	-	538,382	50,397
Lubbock, TX	1,538,281	-	-	1,538,281	143,244
McAllen-Mission-Mission, TX	1,232,823	-	-	1,232,823	115,174
Midland, TX	671,807	-	-	671,807	62,762
Odessa, TX	745,278	-	-	745,278	69,636
Fort Worth, TX	812,985	-	-	812,985	75,932
San Antonio, TX	698,796	-	-	698,796	65,385
San Antonio, TX	14,655,327	-	-	14,655,327	1,355,995
Shreveport-Denton, TX	349,693	-	-	349,693	32,669
Tampa, TX	396,998	-	-	396,998	37,089
Tomball, TX-AR	330,346	-	-	330,346	30,938
Tomball, TX	831,540	-	-	831,540	79,534
Tyler, TX	665,880	-	-	665,880	62,309
Victoria, TX	461,603	-	-	461,603	43,124
Waco, TX	1,005,617	-	-	1,005,617	93,948
Waco, TX	802,087	-	-	802,087	74,934
Utah Total	17,043,882	774,990	454,726	18,273,598	1,888,976
Logan, UT	398,033	-	-	398,033	37,186
Opheim, UT	2,738,805	-	-	2,738,805	255,888
Provo-Orem, UT	2,646,776	-	-	2,646,776	247,270
Salt Lake City, UT	11,239,247	-	-	11,239,247	1,051,875
Vermont Total	698,431	914,863	283,309	1,896,599	288,474
Burlington, VT	698,431	-	-	698,431	65,230

FEDERAL TRANSIT ADMINISTRATION FISCAL YEAR 1999 APPORTIONMENTS FOR FORMULA PROGRAMS (BY STATE AND LRA)

STATE/URBANIZED AREA	Section 5307 Urbanized Area Formula Apportionment	Section 5311 Nonurbanized Formula Apportionment	Section 5310 Elderly and Person with Disabilities Apportionment	Total Formula Programs	Change from FY 1998
Virgin Islands Total	-	186,639	136,123	322,761	47,461
Virginia Total	81,894,889	4,898,472	1,484,889	87,239,788	8,978,483
Bristol, TN-VA	143,125	-	-	143,125	13,371
Charlottesville, VA	666,631	-	-	666,631	62,279
Covington, VA	378,566	-	-	378,566	35,367
Fayetteville, VA	444,647	-	-	444,647	41,522
Kingsport, TN-VA	27,022	-	-	27,022	2,524
Lynchburg, VA	634,200	-	-	634,200	59,249
Marshall-Virginia Beach-Norfolk News, VA	11,136,004	-	-	11,136,004	1,040,361
Petersburg, VA	888,991	-	-	888,991	75,111
Richmond, VA	5,278,171	-	-	5,278,171	493,104
Roanoke, VA	1,538,166	-	-	1,538,166	143,700
Washington, DC-MD-VA	30,234,176	-	-	30,234,176	2,824,575
Washington Total	68,442,849	3,176,448	1,278,534	72,866,238	7,348,831
Bellingham, WA	316,196	-	-	316,196	48,223
Burien, WA	989,949	-	-	989,949	93,420
Longview, WA-OR	436,785	-	-	436,785	40,804
Olympia, WA	777,983	-	-	777,983	72,682
Portland-Vancouver, OR-WA	2,577,599	-	-	2,577,599	240,839
Richland-Kamiah-Pasco, WA	811,609	-	-	811,609	75,823
Seattle, WA	47,144,013	-	-	47,144,013	4,494,346
Spokane, WA	5,314,175	-	-	5,314,175	494,467
Tacoma, WA	8,995,180	-	-	8,995,180	848,359
Yakima, WA	838,700	-	-	838,700	78,354
West Virginia Total	3,347,268	2,685,193	679,889	6,746,966	1,888,873
Charleston, WV	1,354,571	-	-	1,354,571	126,548
Cumberland, MD-WV	16,201	-	-	16,201	1,514
Martinsburg, MD-WV	4,082	-	-	4,082	382
Martinsburg-Ashland, WV-KY-OH	760,509	-	-	760,509	71,049
Parkersburg, WV-OH	489,105	-	-	489,105	45,894
Steubenville-Weirton, OH-WV-PA	210,434	-	-	210,434	19,699
Wheeling, WV-OH	532,293	-	-	532,293	49,729
Wisconsin Total	28,244,120	4,683,889	1,384,901	34,232,909	3,828,898
Appleton-Neshanic, WI	1,087,952	-	-	1,087,952	157,694
Bellevue, WI	361,816	-	-	361,816	33,802
Duluth, MN-WI	158,485	-	-	158,485	14,806
Eau Claire, WI	661,149	-	-	661,149	61,767
Green Bay, WI	1,282,011	-	-	1,282,011	119,770
Janesville, WI	486,568	-	-	486,568	45,457
Kenosha, WI	885,946	-	-	885,946	82,768
La Crosse, WI-MN	703,337	-	-	703,337	65,708
Madison, WI	4,112,464	-	-	4,112,464	384,200
Milwaukee, WI	15,913,808	-	-	15,913,808	1,486,719
Oshkosh, WI	613,816	-	-	613,816	57,345
Racine, WI	1,368,544	-	-	1,368,544	127,835
Rosedale South-Milwaukee, IL-WI	513	-	-	513	48
Shawano, WI	578,326	-	-	578,326	54,029
Wausau, WI	429,593	-	-	429,593	40,134
Wyoming Total	966,880	682,397	318,996	1,858,213	283,978
Casper, WY	442,679	-	-	442,679	41,256
Cheyenne, WY	522,341	-	-	522,341	48,799
SUBTOTAL	2,886,448,887	177,804,848	67,806,681	2,779,829,778	283,888,887
Overnight	-	-	-	13,630,572	-
TOTAL	-	-	-	2,793,460,350	-
Alaska Railroad	-	-	-	4,849,950	-
Clean Fuels	-	-	-	50,000,000	-
Rural Transportation Accessibility Incentive Program	-	-	-	2,000,000	-
GRAND TOTAL	-	-	-	2,850,309,800	-

FORMULA PROGRAMS
(HIGHWAY TRUST FUND)

	<i>(Limitation on obligations)</i>	<i>(Liquidation of contract authorization)</i>
Appropriation, fiscal year 1998		
Budget estimate, fiscal year 1999	\$(3,709,235,000)	\$1,500,000,000
Recommended in the bill		
Bill compared to:		
Appropriation, fiscal year 1998		
Budget estimate, fiscal year 1999	(- 3,709,235,000)	- 1,500,000,000

The budget proposed to consolidate all formula grant activities into this account. The fixed guideway modernization formula program and the buses and the bus facilities program, together with the existing formula grants program, were proposed to be merged into this new account structure. In addition, the administration proposed to create a new program—access to jobs and training—which would provide funds for grants to states, local agencies, and non-profit organizations for transportation services to match the needs of welfare recipients to get to jobs and training with the services available in the community. This program was proposed as a set-aside from the formula programs account. The proposal to create a new formula program was not incorporated in TEA21.

UNIVERSITY TRANSPORTATION RESEARCH

	<i>Appropriation (general fund)</i>	<i>Limitation on obligations (trust fund)</i>
Appropriation, fiscal year 1998	\$6,000,000	
Budget estimate, fiscal year 1999 ¹		
Recommended in the bill	1,200,000	(\$4,800,000)
Bill compared to:		
Appropriation, fiscal year 1998	- 4,800,000	(+4,800,000)
Budget estimate, fiscal year 1999	+1,200,000	(+4,800,000)

¹The budget included an appropriation request for this program within the amounts requested for transit planning and research.

The accompanying bill provides a total of \$6,000,000 for university transportation research. The recommendation is the same level as provided in fiscal year 1998. This appropriation is guaranteed under the new transit funding category.

The recommended program level of \$6,000,000 is comprised of an appropriation of \$1,200,000 from the general fund and \$4,800,000 from limitations on obligations from the mass transit account of the highway trust fund.

TRANSIT PLANNING AND RESEARCH

	<i>Appropriation (general fund)</i>	<i>Limitation on obligations (trust fund)</i>
Appropriation, fiscal year 1998	\$92,000,000	
Budget estimate, fiscal year 1999 ¹	91,900,000	
Recommended in the bill	19,800,000	(\$78,200,000)
Bill compared to:		
Appropriation, fiscal year 1998	- 72,200,000	(+78,200,000)
Budget estimate, fiscal year 1999	- 72,100,000	(+78,200,000)

¹The budget requested that appropriations be derived from the highway trust fund.

The accompanying bill provides a total of \$98,000,000 for transit planning and research. The recommendation is \$6,000,000 more than provided in fiscal year 1998 and \$6,100,000 more than the budget request. This appropriation is guaranteed under the new transit funding category.

The recommended program level of \$98,000,000 is comprised of an appropriation of \$19,800,000 from the general fund and \$78,200,000 from limitations on obligations from the mass transit account of the highway trust fund.

The bill contains language specifying that \$43,841,600 shall be available for metropolitan planning; \$9,158,400 shall be available for state planning and research; \$27,500,000 shall be available for national planning and research; \$8,250,000 shall be available for transit cooperative research; \$4,000,000 shall be available for the National Transit Institute; and \$5,250,000 shall be available for rural transportation assistance.

The Committee has deleted funding within the national program for further development of the electronic grant management and making system (–\$200,000).

TEA21 earmarks the following projects within the funds provided for the national program in fiscal year 1999:

North Orange-South Seminole County, Florida fixed guideway technology	\$750,000
Galveston, Texas fixed guideway activities	750,000
Washoe County, Nevada transit technology	1,250,000
MBTA, Massachusetts advanced electric transit buses and related infrastructure	1,500,000
Palm Springs, California fuel cell buses	1,000,000
Gloucester, Massachusetts intermodal technology center	1,500,000
SEPTA, Philadelphia, Pennsylvania advanced propulsion control system	2,000,000
Project ACTION	3,000,000

Support in fiscal year 1999 is provided for a number of important initiatives including:

Advanced transportation and alternative fueled vehicle technology consortium (CALSTART)	\$3,000,000
Rural transportation assistance program	750,000
Safety programs	4,750,000
JOBLINKS	1,000,000
Fleet operations, including bus rapid transit	2,000,000
Zinc-air battery development	2,000,000
Northern tier community transportation, Massachusetts	500,000
Hennepin County Community works transportation, Minnesota ..	1,000,000
Seattle, Washington livable city	200,000

Fuel cell bus program.—The Committee directs that none of the funds available under this heading shall be available to supplement funding provided under section 3015(b) of TEA21 for the fuel cell bus and bus facilities program. Further, funding provided for the fuel cell bus program in this Act shall be available only for research and development and directly related support facilities and equipment in accordance with FTA policy and regulation.

Advanced transportation and alternative fueled vehicle technology program (CALSTART).—Of the amount provided for this activity, not less than \$500,000 shall be available to the Santa Barbara electric transportation institute to continue its initiatives regarding

evaluation of fast charging technologies and data acquisition systems.

TRUST FUND SHARE OF EXPENSES

(HIGHWAY TRUST FUND)

(LIQUIDATION OF CONTRACT AUTHORIZATION)

Appropriation, fiscal year 1998	(\$2,210,000,000)
Budget estimate, fiscal year 1999	
Recommended in the bill	(2,446,200,000)
Bill compared to:	
Appropriation, fiscal year 1998	(+236,200,000)
Budget estimate, fiscal year 1999	(+2,446,200,000)

For fiscal year 1999, the Committee has provided \$2,446,200,000 for liquidation of contract authorization. The increase over last year is necessary to pay outstanding obligations of the various transit programs at the levels assumed in TEA21. This appropriation is mandatory and has no scoring effect.

CAPITAL INVESTMENT GRANTS

	<i>Appropriation (general fund)</i>	<i>Limitation on obligations (trust fund)</i>
Appropriation, fiscal year 1998		(\$2,000,000,000)
Budget estimate, fiscal year 1999		(876,114,857)
Recommended in the bill	\$451,400,000	(1,805,600,000)
Bill compared to:		
Appropriation, fiscal year 1998	+451,400,000	(- 194,400,000)
Budget estimate, fiscal year 1999	+451,400,000	(+929,485,143)

The accompanying bill provides a total of \$2,257,000,000 to be available for capital investment grants, formerly referred to as discretionary grants. The recommendation is \$257,000,000 more than provided in fiscal year 1998 and \$1,330,885,143 more than the budget request, which requested funds under this program heading only for new starts. This appropriation is guaranteed under the new transit category.

The recommended program level of \$2,257,000,000 is comprised of an appropriation of \$451,400,000 from the general fund and \$1,805,600,000 from limitations on obligations from the mass transit account of the highway trust fund.

Funds provided for capital investment grants shall be distributed as follows:

	1998 enacted	1999 request	Recommended in the bill
Fixed guideway modernization	\$800,000,000	(¹)	\$902,800,000
New starts	800,000,000	\$876,114,857	902,800,000
Bus and bus facilities	400,000,000	(¹)	451,400,000
Total	2,000,000,000	876,114,857	2,257,000,000

¹The Administration proposed to merge the bus and bus facilities and fixed guideway modernization programs into a new formula grants program and create a new major capital investment program. The 1998 budget request is shown here for comparability purposes.

Three-year availability of section 5309 funds.—The Committee has included bill language that permits the administrator to reallo-

cate discretionary new start and buses and bus facilities funds from projects which remain unobligated after three years. Funds made available in the fiscal year 1996 Department of Transportation and Related Agencies Appropriations Act and previous Acts are available for reallocation in fiscal year 1999 as availability for these discretionary projects is limited to three years. The Committee directs the FTA to reprogram funds from recoveries and previous appropriations that remain available after three years and are available for reallocation to only those section 3 new starts that have full funding grant agreements in place on the date of enactment of this Act, and with respect to bus and bus facilities, only to those bus and bus facilities projects identified in the fiscal year 1999 accompanying reports of the fiscal year 1999 Department of Transportation and Related Agencies Appropriations Act. The FTA shall notify the House and Senate Committees on Appropriations 15 days prior to any such reallocation.

The Committee, however, directs the FTA not to reallocate funds provided in fiscal year 1995 or 1996 for the Whitehall ferry terminal, or funds provided in fiscal year 1996 for the Memphis, Tennessee medical extension project, the Burlington, Vermont commuter rail project, the Burlington-Gloucester commuter rail project or the New Orleans Canal Street corridor project. The FTA informs the Committee that these funds are likely to be awarded in the fourth quarter of fiscal year 1998 or soon thereafter.

BUSES AND BUS FACILITIES

The accompanying bill provides \$451,400,000 for bus purchases and bus facilities, including maintenance garages and intermodal facilities. Bus systems are expected to play a vital role in the mass transportation systems of virtually all cities. FTA estimates that 95 percent of the areas that provide mass transit service do so through bus transit only and over 60 percent of all transit passenger trips are provided by bus.

TEA21 requires that funding of \$100,000,000 be made available for a new clean fuels grant program. This funding is derived from \$50,000,000 from the formula grants account and \$50,000,000 from funds allocated for buses under this account. Designated recipients of the clean fuels grant program—funding for which is derived in part from the formula grants program—are identified in the lists below (to the extent funding is allocated for the purchase of eligible alternative-fuel vehicles, related facilities and other eligible activities).

TEA21 requires that the funds provided for buses and bus facilities be allocated as follows:

<i>Project</i>	<i>Amount</i>
Fuel cell bus and bus facilities program (section 3015(b))	\$4,850,000
State of Alabama:	
Birmingham-Jefferson County, buses	1,250,000
Pritchard bus transfer facility	500,000
Tuscaloosa Intermodal Center	1,000,000
State of Arkansas:	
Arkansas Highway and Transit Department buses	200,000
Fayetteville, University of Arkansas Transit System buses	500,000
Hot Springs Transportation Depot and Plaza	560,000
Little Rock Central Arkansas Transit buses	300,000

<i>Project</i>	<i>Amount</i>
State of California:	
Culver City, CityBus buses	1,250,000
Davis, Unitrans transit maintenance facility	625,000
Healdsburg Intermodal Facility	1,000,000
Humboldt, Intermodal Facility	1,000,000
Islais Creek bus maintenance facility	1,250,000
Livermore/Amador Valley Transit Authority automatic vehicle locator system	1,000,000
Los Angeles Union Station Gateway Intermodal Transit Center	1,250,000
Mendocino Transit Authority Ukiah transit center	500,000
Modesto bus maintenance facility	625,000
Monterey Salinas transit buses	625,000
Morongo Basin Transit Authority bus facility	650,000
Perris bus maintenance facility	1,250,000
Sacramento CNG buses	1,250,000
Santa Clarita facilities and buses	1,250,000
Santa Cruz metropolitan transit district bus facilities	625,000
San Fernando Valley smart shuttle buses	300,000
Santa Rosa/Cotati Intermodal Transportation Facilities	750,000
Windsor Intermodal Facility	750,000
Woodland Hills Warner Center Transportation Hub	325,000
State of Colorado:	
Boulder/Denver, RTD buses	625,000
Denver Stapleton Intermodal Center	1,250,000
State of Connecticut:	
Hartford Transportation Access Project	800,000
New Haven bus facility	2,250,000
Norwich buses	2,250,000
Waterbury bus facility	2,250,000
District of Columbia:	
Washington, D.C. Intermodal Transportation Center	2,500,000
State of Florida:	
Broward County buses	1,000,000
Daytona Beach intermodal center	2,500,000
Lakeland Area Mass Transit District's Citrus Connection transit vehicles	1,250,000
Miami Beach Electric Shuttle Service	750,000
Miami Dade buses and bus facilities	2,250,000
Orlando intermodal facility	2,500,000
State of Georgia:	
MARTA buses	9,000,000
State of Hawaii:	
Honolulu buses and bus facility	2,250,000
State of Iowa:	
Fort Dodge Intermodal Facility (Phase II)	885,000
Iowa/Illinois Transit Consortium bus safety and security	1,000,000
State of Illinois:	
Illinois Statewide buses and bus facilities and related equipment	6,800,000
State of Indiana:	
Gary Transit Consortium buses	1,250,000
Indianapolis buses	5,000,000
South Bend Urban Intermodal Transportation Facility	1,250,000
Commonwealth of Massachusetts:	
New Bedford/Fall River Mobile Access to health care	250,000
Springfield Union Station	1,250,000
Worcester Union Station	2,500,000
State of Maryland:	
Maryland buses and bus facilities	7,000,000
State of Michigan:	
Lansing CATA buses and bus technology improvements	600,000
Michigan statewide bus & bus facilities	10,000,000
State of Minnesota:	
Duluth Transit Authority community circulation vehicles	1,000,000
Duluth Transit Authority intelligent transportation systems	500,000
Duluth Transit Authority Transit Hub	500,000
Northstar Corridor Intermodal Facilities and buses	6,000,000

<i>Project</i>	<i>Amount</i>
State of Missouri:	
St. Louis Bi-state Intermodal Center	1,250,000
State of North Carolina:	
Greensboro multimodal transportation center	3,340,000
Greensboro Transit Authority buses	1,500,000
Greensboro Transit Authority small buses and vans	321,000
State of New Jersey:	
New Jersey Transit jitney shuttle buses	1,750,000
Newark, NJ Morris & Essex Station access and buses	1,250,000
South Amboy regional intermodal transportation center	1,250,000
State of New Mexico:	
Albuquerque, NM buses	1,250,000
State of Nevada:	
Reno transit facility (Washoe County)	2,250,000
State of New York:	
Babylon Station intermodal hub	1,250,000
Brookhaven Town elderly and disabled buses and vans	225,000
Brooklyn-Staten Island Mobility Enhancement buses	800,000
Buffalo Auditorium Intermodal Center	2,000,000
Buffalo Crossroads Intermodal Station	1,000,000
Dutchess County Loop System buses	521,000
East Hampton elderly and disabled buses and vans	100,000
Ithaca TCAT bus technology improvements	1,250,000
Long Island CNG transit vehicles and facilities	1,250,000
Mineola/Hicksville LIRR Intermodal Centers	1,250,000
New York West 72nd St. Intermodal Station	1,750,000
Rensselaer Amtrak station project	1,000,000
Riverhead elderly and disabled buses and vans	125,000
Rome Intermodal Center	400,000
Shelter Island elderly and disabled buses and vans	100,000
Smithtown elderly and disabled buses and vans	125,000
Southampton elderly and disabled buses and vans	125,000
Southold elderly and disabled buses and vans	100,000
Suffolk County elderly and disabled buses and vans	100,000
Utica Union Station	2,100,000
Utica and Rome bus facilities and buses	500,000
Westchester County Bee-Line transit system fareboxes	979,000
Westchester County (Bee-line bus system) buses	1,000,000
Westchester County DOT articulated buses	1,250,000
State of Ohio:	
Dayton Multimodal Transportation Center	625,000
Triskett bus garage	625,000
State of Oklahoma:	
Oklahoma statewide bus facilities and buses	5,000,000
State of Oregon:	
Land transit district buses and equipment	4,400,000
Portland Tri-Met buses	1,750,000
Commonwealth of Pennsylvania:	
Altoona bus testing facility (section 3009)	3,000,000
Altoona Metro Transit Authority buses and transit system im-	
provements	842,000
Altoona Metro Transit Authority Logan Valley Mall Suburban	
Transfer Center	80,000
Altoona Metro Transit Authority Transit Center improvements	424,000
Altoona Pedestrian Crossover	800,000
Armstrong Mid-County transit authority buses and bus facili-	
ties	150,000
Bradford County, Endless Mountain Transportation Authority	
buses	1,000,000
Cambria County buses and bus facilities	575,000
Centre Area Transportation Authority buses	1,250,000
Chambersburg Transit Authority buses	300,000
Chambersburg Transit Authority Intermodal Center	1,000,000
Chester County Paoli Transportation Center	1,000,000
Crawford Area Transportation buses	500,000
Erie Metropolitan Transit Authority buses	1,000,000
Fayette County buses and facilities	1,270,000

<i>Project</i>	<i>Amount</i>
Lackawanna County Transit System buses	600,000
Mercer County buses	750,000
Monroe County Transportation Authority buses	1,000,000
Philadelphia Frankford Transportation Center	5,000,000
Philadelphia Intermodal 30th Street Station	1,250,000
Philadelphia Regional Transportation System for Elderly and Disabled	750,000
Reading intermodal transportation center	1,750,000
Red Rose Transit Bus Terminal	1,000,000
Robinson Towne Center Intermodal Facility	1,500,000
Somerset County transportation buses and bus facilities	175,000
Towamencin Township Intermodal Bus Transportation Center	1,500,000
Washington County Intermodal Facilities	630,000
Westmoreland County Intermodal Facility	200,000
Wilkes-Barre intermodal facility	1,250,000
Williamsport Bus Facility	1,200,000
Commonwealth of Puerto Rico:	
San Juan Intermodal access	600,000
State of Rhode Island:	
Providence buses and bus maintenance facility	2,250,000
State of South Carolina:	
South Carolina statewide Virtual Transit Enterprise	1,220,000
State of South Dakota:	
South Dakota statewide bus facilities and buses	1,500,000
State of Texas:	
Austin buses	1,250,000
Texas rural and small cities buses and bus facilities	4,000,000
State of Utah:	
Ogden Intermodal Center	800,000
Utah Transit Authority Intermodal Facilities	1,500,000
Utah Transit Authority/Park City Transit buses	6,500,000
Commonwealth of Virginia:	
Alexandria bus maintenance facility	1,000,000
Alexandria King Street Station access	1,100,000
Greater Richmond Transit Company maintenance facility	1,250,000
Harrisonburg buses	200,000
Lynchburg buses	200,000
Roanoke buses	200,000
State of Washington:	
Everett Station	1,950,000
Grant County buses and vans	600,000
Mount Vernon Multimodal Center	1,750,000
Seattle Intermodal Transportation Terminal	1,250,000
State of Wisconsin:	
Milwaukee County buses	4,000,000
Wisconsin statewide buses and bus facilities	8,000,000
State of West Virginia:	
Huntington Intermodal Facility	8,000,000
Statewide Intermodal Facility and buses	5,000,000

In addition, federal support is provided for the following projects:

<i>Project</i>	<i>Amount</i>
State of Alabama:	
Huntsville, transit facility	\$1,000,000
Lee-Russell Council buses	725,000
Phenix City Express and Lee County buses	725,000
Mobile, GM&O building	10,000,000
State of Arizona:	
Tucson intermodal facility	1,000,000
Tucson alternatively fueled vehicles	4,000,000
Phoenix bus and bus facilities	8,000,000
State of California:	
Central Contra Costa County transit vans	199,885
Davis/Sacramento area hydrogen bus technology program	950,000
Folsom multimodal facility	1,000,000
Huntington Beach buses	200,000
I-5 corridor transit, transportation centers	5,000,000
Lake Tahoe intermodal transit center	500,000
Los Angeles County, Foothill transit maintenance facility	1,625,000
Los Angeles County metropolitan transportation authority buses	6,000,000
Modesto, bus facility	1,000,000
Municipal transit operators coalition	5,000,000
North San Diego County transit district buses	3,500,000
Riverside transit agency bus facility	1,000,000
San Bernardino buses	1,334,115
San Diego City College multimodal center (12th Avenue/Col- lege Station)	2,000,000
San Joaquin (Stockton) bus facilities	2,000,000
Santa Clara Valley buses and bus facilities	1,000,000
Santa Clarita transit maintenance facility	1,500,000
Santa Cruz, transit facility	2,000,000
Santa Rosa, Colati, and Rohnert Park facilities	1,000,000
Yolo County, bus facility	2,400,000
State of Colorado:	
Boulder/RTD, special transit of Boulder bus equipment	171,000
Colorado buses and bus facilities	2,000,000
State of Delaware:	
Delaware statewide buses	2,000,000
State of Florida:	
Clearwater multimodal facility	5,000,000
Jacksonville buses and bus facilities	1,000,000
Gainesville buses and equipment	2,000,000
Lynx buses and bus facilities	1,000,000
Miami, bus security and surveillance	1,000,000
Miami Beach multimodal transit center	1,000,000
Tampa HARTline buses	2,500,000
State of Georgia:	
Chatham Area transit bus transfer center and buses	5,000,000
State of Illinois:	
Rock Island, buses	2,500,000
State of Indiana:	
City of East Chicago buses	200,000
State of Iowa:	
Iowa statewide buses and bus facilities	2,500,000
State of Kentucky:	
Southern and eastern Kentucky buses and bus facilities	5,000,000
Louisville metropolitan scholars program buses	4,000,000
Owensboro buses	200,000
State of Louisiana:	
Statewide	19,000,000
Commonwealth of Massachusetts:	
Essex and Middlesex buses	3,128,000
Pittsfield intermodal center	9,200,000
Westfield intermodal center	4,000,000
State of Minnesota:	
Twin Cities area metro transit buses and bus facilities	19,000,000

<i>Project</i>	<i>Amount</i>
State of Missouri:	
Southwest Missouri State University park and ride facility	1,000,000
State of North Carolina:	
North Carolina statewide buses and bus facilities	10,000,000
Special Olympics buses, bus facilities, and related equipment	1,900,000
State of New Mexico:	
Sante Fe park and ride facilities	3,000,000
State of Nevada:	
Clark County Regional Transportation commission	2,750,000
State of New York:	
NFTA HUBLINK program	1,000,000
Syracuse buses	4,000,000
Ulster County bus facilities and equipment	1,000,000
State of Ohio:	
Ohio statewide buses and bus facilities	19,000,000
Toledo Mud Hens transit center study	200,000
State of Oregon:	
Salem area mass transit system buses	1,000,000
SMART, Wilsonville, buses and shelters	400,000
Commonwealth of Pennsylvania:	
Beaver County bus facility	1,000,000
Schuylkill County buses	220,000
State of South Carolina:	
Pee Dee buses and facilities	1,000,000
State of South Dakota:	
Statewide bus and bus facilities	1,000,000
State of Tennessee:	
Tennessee statewide buses and bus facilities	3,000,000
State of Texas:	
Corpus Christi buses and facilities	1,000,000
DART buses	1,500,000
Fort Worth bus and paratransit vehicle project	2,500,000
Galveston buses and bus facilities	1,000,000
Commonwealth of Virginia:	
Statewide buses and bus facilities	18,000,000
State of Washington:	
Central Puget Sound bus program	16,000,000
Clark County (C-Tran) bus facilities	1,000,000
Ben Franklin transit operating facility	1,000,000
Bremerton transportation center	1,000,000
Port Angeles center	1,000,000
Snohomish County buses	2,000,000
Tacoma Dome buses and bus facilities	3,500,000
Thurston County intercity buses	1,000,000
State of Wisconsin:	
Statewide bus and bus facilities	7,000,000

Crossroads station, Buffalo, New York.—The Committee directs that funds provided in the fiscal year 1996 Department of Transportation and Related Agencies Appropriations Act for Crossroads Station in Buffalo, New York not be reallocated.

Galveston, Texas.—The Committee directs that \$2,000,000 provided in the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act for alternatively fueled vehicles for Galveston, Texas shall also be made available for an alternative fueling station, downtown multimodal transportation terminal and eligible costs of contracting out to private sector transportation providers.

Honolulu, Hawaii.—The Committee directs that \$3,970,000 provided in the fiscal year 1996 Department of Transportation and Related Agencies Appropriations Act for the Kaukini medical center parking facility be reprogrammed for Honolulu buses and bus facilities.

Lackawanna County, Pennsylvania.—Funds provided in the fiscal year 1998 Department of Transportation and Related Agencies Act for Lackawanna County paratransit vans shall be available for an intermodal bus facility in Lackawanna County, Pennsylvania.

Nashville, Tennessee.—Funds provided in the fiscal year 1996 Department of Transportation and Related Agencies Appropriations Act for electric buses in Nashville, Tennessee shall be available to the state of Tennessee for alternate fueled buses and bus facilities.

Saint Bernard Parish, Louisiana.—The Committee directs that funds provided in the fiscal year 1997 Department of Transportation and Related Agencies Appropriations Act for an intermodal facility in Saint Bernard Parish, Louisiana be available for buses and bus facilities.

State of Colorado.—The Committee has provided \$2,000,000 to the state of Colorado for buses and bus-related facilities. Within the funds provided, \$1,000,000 shall be made available to Colorado Springs.

State of Tennessee.—Of the funds allocated to the state of Tennessee, \$1,000,000 shall be for the city of Chattanooga for alternatively fueled buses.

State of Wisconsin.—The Committee recommendation includes \$7,000,000 for the state of Wisconsin to be distributed as follows: \$3,050,000 for Appleton, Green Bay, Shawano, Menominee Tribe, and Oneida Tribe; \$1,600,000 for La Crosse, Onalaska, Prairie Du Chien, Rice Lake, Viroqua and Ho Chunk Nation; and \$350,000 for Ashland, Chippewa Falls, Eau Claire, Ladysmith, Marshfield, Rhinelander, Rusk County, Stevens Point, Wausau and Wisconsin Rapids; \$1,000,000 for Milwaukee intermodal facility rehabilitation; and \$1,000,000 for the Waukesha transit center.

FIXED GUIDEWAY MODERNIZATION

The accompanying bill provides \$902,800,000 from the capital investment grants program to modernize existing rail transit systems. These funds are to be distributed, consistent with the provisions of TEA21, as follows:

SECTION 5309 FIXED GUIDEWAY MODERNIZATION APPORTIONMENTS

State	FY 1998	FY 1999	Change from FY 1998
Arizona	\$887,899	\$1,240,236	+\$352,337
California	72,836,728	83,594,745	+10,758,017
Colorado	869,435	1,132,463	+263,028
Connecticut	32,975,909	34,548,995	+1,573,086
Delaware	420,810	661,223	+240,413
District of Columbia	22,127,637	28,912,935	+6,785,298
Florida	7,057,834	11,206,655	+4,148,821
Georgia	9,555,673	15,834,034	+6,278,361
Hawaii	337,024	498,050	+161,026
Illinois	100,666,023	108,868,175	+8,202,152
Indiana	6,756,902	7,307,446	+550,544
Louisiana	2,181,084	2,648,872	+467,788
Maryland	16,936,445	21,397,326	+4,460,881
Massachusetts	54,563,411	59,250,813	+4,687,402
Michigan	190,384	361,728	+171,344
Minnesota	2,025,018	2,694,403	+669,385
Missouri	1,395,477	1,695,212	+299,735

SECTION 5309 FIXED GUIDEWAY MODERNIZATION APPORTIONMENTS—Continued

State	FY 1998	FY 1999	Change from FY 1998
New Jersey	75,300,227	81,197,462	+5,897,236
New York	272,525,983	300,062,837	+27,536,854
Ohio	13,446,302	14,775,328	+1,329,026
Oregon	1,462,315	2,483,658	+1,021,343
Pennsylvania	88,526,900	94,063,790	+5,536,889
Puerto Rico	812,274	1,468,302	+656,028
Rhode Island	1,173,919	1,833,110	+659,191
Tennessee	36,803	47,600	+10,797
Texas	3,182,516	4,607,963	+1,425,447
Virginia	464,097	504,285	+40,188
Washington	8,374,586	12,613,895	+4,239,309
Wisconsin	322,940	517,458	+194,518
Subtotal	797,412,555	896,029,000	+98,616,445
Oversight	2,587,445	6,771,000	+4,183,555
Total Authority	800,000,000	902,800,000	+102,800,000

NEW STARTS

The accompanying bill provides \$902,800,000 of new authority for new starts. These funds are available for preliminary engineering, right-of-way acquisition, project management, oversight, and construction of new systems and extensions. TEA21 requires that no more than eight percent of the funding provided for new starts be available for preliminary engineering and design activities. The funds are to be distributed as follows:

<i>Project</i>	<i>Amount</i>
Alaska or Hawaii ferry projects	\$10,400,000
Atlanta North Springs project	52,110,000
Austin Capital metro project	1,000,000
Canton-Akron-Cleveland commuter rail project	3,000,000
Charlotte, North Carolina North-South corridor transitway project	2,000,000
Chicago Metra commuter rail extensions and upgrades	4,000,000
Chicago Transit Authority Ravenswood line project	2,000,000
Clark County, Nevada fixed guideway project	4,000,000
Cleveland Berea Red Line extension to the Hopkins International Airport	1,000,000
Cleveland Euclid corridor improvement project	2,000,000
Dallas-Fort Worth RAILTRAN project	10,698,000
DART North Central light rail extension project	8,000,000
Dayton, Ohio light rail study	1,000,000
Denver Southwest Corridor project	40,000,000
Dulles corridor project	17,000,000
Fort Lauderdale, Florida Tri-County commuter rail project	4,000,000
Harrisburg, Pennsylvania capital area transit/corridor one project	500,000
Houston advanced transit program	2,000,000
Houston Regional Bus project	59,670,000
Johnson City, Kansas I-35 commuter rail project	1,000,000
Knoxville, Tennessee electric transit project	1,500,000
Los Angeles MOS-3 project	46,000,000
MARC commuter rail project	17,041,000
Maryland Route 5 corridor project	1,500,000
Memphis, Tennessee Medical Center rail extension project	2,200,000
Miami Metro-Dade Transit east-west corridor project	3,000,000
Miami Metro-Dade North 27th Avenue corridor project	1,000,000
Mission Valley East light rail transit project	2,000,000
Nashville, Tennessee regional commuter rail project	500,000
New Jersey urban core Hudson-Bergen LRT project	70,000,000
New Orleans Canal Street corridor project	43,000,000

<i>Project</i>	<i>Amount</i>
New Orleans Desire Streetcar project	2,000,000
Norfolk-Virginia Beach regional rail project	2,000,000
Northern Indiana South Shore commuter rail project	2,000,000
Oceanside-Escondido light rail project	5,500,000
Orange County, California transitway project	4,000,000
Orlando Lynx light rail project	17,500,000
Philadelphia-Reading SEPTA Schuylkill Valley Metro project	2,000,000
Philadelphia SEPTA Cross County Metro project	1,000,000
Phoenix metropolitan area transit project	8,000,000
Pittsburgh Allegheny County busway and light rail projects	3,000,000
Portland-Westside/Hillsboro and South-North light rail projects	25,718,000
Puget Sound RTA Link light rail project	1,000,000
Puget Sound RTA Sounder commuter rail project	19,500,000
Raleigh-Durham-Chapel Hill Triangle Transit project	8,000,000
Sacramento south corridor LRT project	23,480,000
Salt Lake City South LRT project	70,000,000
Salt Lake City/Airport to University (West-East) light rail project	3,000,000
San Bernardino Metrolink extension project	2,000,000
San Diego Mid-Coast corridor project	3,000,000
San Francisco BART extension to the airport project	74,000,000
San Jacinto-Branch Line (Riverside County) project	500,000
San Jose Tasman LRT project	35,000,000
San Juan Tren Urbano	60,000,000
South Boston Piers MOS-2 project	53,983,000
South Dekalb-Lindbergh corridor LRT project	1,000,000
Spokane, Washington light rail project	1,000,000
St Louis-St. Clair LRT extension project	35,000,000
Tampa Bay regional rail project	500,000
Twin Cities transitways project	22,000,000
Virginia Rail Express Fredericksburg to Washington commuter rail project	2,000,000
West Trenton, New Jersey rail project	1,000,000
Whitehall ferry terminal project	1,000,000

PROJECT DESCRIPTIONS

Alaska or Hawaii ferry projects.—The Committee recommends \$10,400,000 for Alaska or Hawaii ferry projects. Section 3009 of TEA21 authorizes \$10,400,000 of new starts funds to be made available each year for capital ferry projects in Alaska and Hawaii. Eligible purposes include new fixed guideway systems such as ferryboats, extensions to existing systems, ferry terminal facilities, and approaches to ferry terminal facilities.

Atlanta North Springs project.—The Committee recommends \$52,110,000 for the Atlanta North Springs project. This 1.9-mile, two-station extension from the Dunwoody Station to North Springs is part of the larger 9-mile, five-station North Line extension to the MARTA heavy rail rapid transit system. The segment from Buckhead to Dunwoody opened in June 1996. The North Line extension will serve the rapidly growing area north of Atlanta, and will connect this area with the rest of the region by providing better transit service for both commuters and inner-city residents. The local share commitment for the federally funded portion of this extension is 20 percent. The cost-effectiveness index is \$5 per new passenger trip. FTA has determined that the grantee has the financial capacity to build and operate this project. An FFGA for the Dunwoody to North Springs segment was issued in December 1994 which fulfilled the requirements of section 3035(tt) of ISTEA. The FFGA provides for \$305,010,400 in section 5309 funds. The current cost estimate for the project totals \$487,700,000. The sum of \$208,146,866 has been made available in appropriated funds

through fiscal year 1998. This includes \$28,370,000 in prior-year deobligated funds.

Austin Capital Metro.—The Committee recommends \$1,000,000 for Austin Capital Metro for preliminary engineering for the proposed light rail project in north Austin, Texas, to serve the central business district, the State capitol, and the rapidly growing population and employment centers of the city. Capital Metro and the Texas Department of Transportation have recently completed a major investment study in March 1997 which identifies a 30-mile LRT as the locally preferred alternative. The initial cost estimate totals \$182,300,000.

Canton-Akron-Cleveland commuter rail project.—The Northeast Ohio Areawide Coordinating Agency, the local metropolitan planning organization (MPO), is conducting a major investment study (MIS) to examine the feasibility of establishing commuter rail service to link the areas within the Northeast Corridor of the Canton-Akron-Cleveland (CAC) areas. In anticipation of future transportation needs in the CAC corridor, Akron Metro Regional Transit Authority has acquired several parcels of abandoned rail right of way in the region. The study will consider the existing and proposed land use patterns and impacts, preliminary ridership estimates, preliminary cost estimates, assessment of economic and environmental implications, and analysis of several commuter rail alternatives. Through fiscal year 1998, Congress has appropriated \$2.8 million for this effort. For fiscal year 1999, the Committee recommends \$3,000,000.

Charlotte, North Carolina, north-south corridor transitway project.—The Committee recommends \$2,000,000 for the Charlotte, North Carolina, north-south corridor transitway project. The city of Charlotte, in cooperation with the North Carolina Department of transportation, is conducting an MIS to explore the feasibility of constructing a buy-only rapid transit system with the Charlotte-Mecklenburg County area. The South Corridor Transitway extends 13.5 miles from the Uptown Charlotte Transportation Center to Interstate 485 near Pineville, NC. The total estimated cost for the transitway is \$250,000,000. The corridor is included in the Mecklenburg-Union Metropolitan Planning Organization's 2015 long-range plan. Through fiscal year 1998, Congress has appropriated \$1,000,000 for this effort.

Chicago Metra extensions and upgrades.—The Committee recommends \$4,000,000 for three Chicago Metra extensions and upgrades: (1) double tracking the north-central corridor line, which was inaugurated in August 1998 and has already exceeded ridership projections. The line runs along Wisconsin Central Railroad line from Antioch and Franklin Park to downtown Chicago; (2) extending the southwest corridor, which runs on Norfolk Southern Railroad line from Orland Park to Chicago's Southwest Side; and extending the system's service westward into Kane County, a rapidly growing suburban area with high employment growth. Metra is the country's second largest commuter rail serving a population base of over 7,500,000.

Chicago Transit Authority (CTA) Ravenswood line.—The Committee recommends \$2,000,000 for capacity expansion of the Chicago Ravenswood light rail system. The Ravenswood line carries

approximately 105,000 people daily. The area is experiencing rapid growth in ridership, and increased capacity is required to handle this growth. The funds provided will allow CTA to complete the major investment study and related environmental reviews for the capacity expansion project. CTA plans to lengthen existing platforms in order to accommodate trainsets of eight cars in length.

Clark County, Nevada, fixed guideway.—The Committee recommends \$4,000,000 for preliminary engineering and design for a proposed fixed guideway system in the Las Vegas, NV, resort corridor. There are two major components to the proposed fixed guideway system: a 18.4-mile core system running south from Cashman Field to the Stratosphere Tower, then branching out along Sahara Avenue and paralleling Las Vegas Boulevard south behind the valley's resorts. In addition, an extension to McCarran International Airport is planned. The regional transportation commission has requested FTA approval to enter preliminary engineering for phase I of the Las Vegas corridor. The initial cost estimate for this project is between \$2,100,000,000 and \$2,300,000,000. The local financial commitment for this project is 55 percent. Through fiscal year 1998, Congress has made available \$4,983,828 in appropriated funds for this project.

Cleveland Berea Red Line extension to the Hopkins International Airport.—The Committee recommends \$1,000,000 for a major investment study to determine transportation options to provide a direct link between downtown Cleveland, Hopkins International Airport, the International Exposition Center, and Baldwin Wallace College. The proposed Berea Rapid Transit extension, approximately 3 miles from the Greater Cleveland Regional Transit Authority's airport station, is directly aligned with the local transit operator's red line rapid rail system. The MIS is also considering adequate walkup access and park-and-ride facilities to encourage greater use of the red line light rail transit system.

Cleveland Euclid corridor improvement project.—The Committee recommends \$2,000,000 for design and construction costs of the Greater Cleveland Regional Transit Authority's 5.6-mile downtown corridor, incorporating executive bus lanes and related capital improvements on Euclid Avenue from Public Square in downtown Cleveland east to University Circle. The proposed project is known as the Euclid corridor improvement project [ECIP]. In addition, five stations along the existing red line will be relocated in order to spur economic development and improve access between the stations, surrounding neighborhoods, and employment centers. In November 1995, the GCRTA Board of Trustees selected the ECIP as the locally preferred alternative. The total capital cost estimate for the ECIP is \$332,500,000. Through fiscal year 1998, Congress has appropriated \$8,740,000.

Dallas-Fort Worth RAILTRAN project.—The Committee recommends \$10,698,000 for the Fort Worth Railtran commuter rail and intermodal transportation center project, which will provide a much needed commuter rail link between Fort Worth and Dallas. Service between Dallas and Arlington has already been initiated. These funds will allow Fort Worth's connection to this service beginning in 2000, and complete the Federal share of funding for the

Railtran commuter rail project. Federal funds are matched with 70 percent local and State participation.

DART north-central light rail extension project.—The Committee recommends \$8,000,000 for the Dallas-DART north-central light rail extension project. This project is a 12.3-mile, eight-station, \$513,000,000 LRT extension to Plano. The southern 7.3 miles from Park Lane to Richardson Transit Center, would be double tracked. The northern 5 miles will be double tracked as well. Dallas area rapid transit has completed a major investment study and the preferred alternative was selected in September 1994. The project is now in final design. The local share commitment to this project is 35 percent. Through fiscal year 1998, Congress has made available \$27,332,867 in appropriated funds for this project.

Dayton, Ohio light rail study.—The Committee recommendation includes an appropriation of \$1,000,000 for a light rail feasibility study in Dayton, Ohio. No previous appropriations have been provided.

Denver southwest corridor project.—The Committee recommends \$40,000,000 for the Denver southwest corridor light rail transit (LRT) project. The total FFGA amount for the 8.7-mile LRT extension is \$120,000,000. The extension will connect with the existing Denver central corridor light rail line from the I-25/Broadway interchange, and run over an exclusive, grade-separated right-of-way paralleling Santa Fe Drive, to Mineral Avenue in Littleton. This project is currently in the final design. Through fiscal year 1998, Congress has made available \$24,415,144 in appropriated funds for this project. An additional \$1,341,506 was made available from reprogrammed funds.

Dulles corridor, Virginia.—The Virginia Department of Rail and Public Transportation has completed a major investment study (MIS) which evaluated several transportation options in the Dulles Corridor. The corridor extends from the West Falls Church Metro-rail station to the Dulles International Airport and continues into Loudon County. There is a significant level of existing local and express bus service in the corridor. The MIS for the Dulles Corridor was completed in June 1997. The Committee has provided \$17,000,000 for fiscal year 1999.

Fort Lauderdale, Florida Tri-County commuter rail project.—The Committee recommends \$4,000,000 for the Tri-County commuter rail project. The Tri-County Commuter Rail Authority (Tri-Rail) operates a 71-mile commuter rail system connecting Dade, Broward, and Palm Beach Counties. Tri-Rail's short-range program includes the addition of a second track and rehabilitation of the signal system. These improvements will reduce conflicts with Amtrak and CSX freight trains. The project is in the final design state. The local share commitment to this project is 39 percent. The estimated total capital cost of the project is \$573,100,000. To date, Congress has appropriated \$51,281,075 in section 5309 funds for Tri-Rail improvements.

Harrisburg, Pennsylvania, capital area transit/corridor one.—The Committee recommends \$500,000 for final design and preliminary engineering costs associated with the development of a regional light rail system in the Harrisburg, PA, metropolitan area in a corridor which would ultimately link Lancaster to Carlisle via

Harrisburg. The total cost is estimated at \$56,000,000 and would consist of an initial 12-mile segment from Harrisburg Transportation Center to the Navy's Mechanicsburg, PA, installation.

Houston advanced transit program.—The Metropolitan Transit Authority of Harris County (Houston METRO) will initiate major investment studies (MIS) on various elements of the advanced transit program (ATP), previously the advanced regional bus plan. This program has been incorporated in the region's metropolitan transportation plan. The first study is the west loop major investment study METRO is scheduled to begin this MIS of the west loop corridor during fiscal year 1998. The Interstate IH-610 Corridor examined in the MIS will be from the Interstate (IH-10) Interchange on the north (with connections to the Katy High Occupancy Vehicle Lane and Northwest Transit Center) to the vicinity of Westpark Drive to the south. It is anticipated that this MIS will take from six to nine months to complete. METRO will be working closely with the Texas Department of Transportation (TxDOT) to ensure that any recommendation from the west loop MIS will be compatible with their transportation systems management (TSM) improvements in the west loop. METRO is scheduled to begin an MIS of the Westpark Corridor in latter part of fiscal year 1998. The corridor examined in this MIS will be from the Hillcroft Transit Center to the vicinity of Shepherd. Other elements of the Houston advanced transit program include the proposed expansion of the Northwest Station Park and Ride facilities and a major investment analysis of alternative transportation infrastructure in the city of Houston. Through fiscal year 1998, Congress has appropriated \$1,000,000 for the advanced transit program. For fiscal year 1999, the Committee recommends \$2,000,000.

Houston regional bus project.—The Committee recommends \$59,670,000 for the Houston regional bus project. The estimated total for the project is \$625,000,000. The plan, developed by Houston METRO, consists of a package of major improvements to the region's existing bus system. It includes major service expansions in most of the region, new and extended HOV (high-occupancy vehicle) facilities and ramps, several transit centers and park-and-ride lots, and supporting facilities. The individual elements of the plan are in various stages of development, from preliminary engineering to construction. An FFGA was issued for this project on December 30, 1994, which fulfilled the requirements of section 3035(uu) of ISTEA. A total of \$378,257,998 has been made available from appropriated funds for this project through fiscal year 1998.

Johnson County, Kansas, I-35 commuter rail project.—The Committee recommends \$1,000,000 for planning and design of a commuter rail project along the railroad tracks that parallel Interstate 35, extending from Johnson County into downtown Kansas City. I-35 cannot be widened and proactive Kansas local governments, along with the support of business groups, have identified commuter rail as the preferred option to avoid traffic gridlock. No previous appropriations have been provided to this project.

Knoxville, Tennessee electric transit project.—The Committee recommends \$1,500,000 for the Knoxville, Tennessee electric transit project. This project is expected to provide a dedicated electric trol-

ley route around the periphery of the downtown area with stops at entertainment venues and parking areas. No previous appropriations have been provided for this project.

Laurel rail line project, Lackawanna County, Pennsylvania.—The Committee has included bill language making available \$500,000 for the Laurel Rail Line project in Lackawanna County, Pennsylvania from funds previously appropriated in fiscal year 1998 for the Pennsylvania Strawberry Hill/Diamond Branch rail project.

Los Angeles, MOS-3 project.—The 23-mile, \$5,700,000,000 Metro Red Line rail project is planned as “minimum operable segments” (MOSs) for funding purposes. ISTEA defined MOS-3 to include three Metro Rail extensions including the North Hollywood extension, the East Side extension, and the Mid-City extension. TEA21 subsequently broadened the range of options in the corridors. A full funding grant agreement has been signed, committing \$1,416,490,000 in funding. To date, Congress has appropriated \$571,727,000, including \$61,500,000 in fiscal year 1998.

The Committee recommendation provides a total of \$70,000,000 for fiscal year 1999. This amount includes: (1) \$38,000,000 in new appropriations provided in this Act for construction of North Hollywood; (2) \$24,000,000 that had been allocated for the East Side in the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act to be available for North Hollywood construction in fiscal year 1999; and (3) \$8,000,000 in new appropriations for continued development of transportation alternatives in the East Side and Mid-City corridor.

In fiscal year 1998, the Committee directed that the funds appropriated in that year shall be available only after (1) the LACMTA produces a financially constrained rail recovery plan which complies with the consent decree for enhanced bus service; (2) the FTA conducts a final review and accepts the plans and certifies to the House and Senate Committees on Appropriations that the fiscal management of the project meets or exceeds accepted US government standards; (3) the General Accounting Office and the department’s Inspector General conduct an independent analysis of the plans and provide such analysis to the House and Senate Committees on Appropriations; (4) the House and Senate Committees on Appropriations have concluded their review of the analysis within sixty days of the transmittal of the analysis to the Committees; and (5) after the FTA has re-negotiated parts 1A and 1B of the MOS-3 full funding grant agreement.

The LACMTA submitted its financially constrained recovery plan to the FTA on May 15, 1998, and the FTA, the GAO and the IG have provided informally their comments and observations on the recovery plan to the Committee. While the plan does not meet fully the requirements set forward in the conference agreement accompanying the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act, the Committee acknowledges that the LACMTA has made significant progress over the last several months and has promulgated a recovery plan that indicates that the transit authority can complete construction of the North Hollywood segment on schedule and near budget with funds that can be reasonably anticipated to be available to the LACMTA. The Committee notes that the recovery plan does not address heavy rail

construction planned for the East Side and Mid-City corridors as included in the full funding grant agreement, and that, by allocating funds to North Hollywood construction, operating deficits have not been addressed.

With these preliminary findings, the Committee directs that the FTA release the \$37,500,000 provided in the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act for continuing construction of the North Hollywood segment. For fiscal year 1999, the Committee provides new appropriations of \$38,000,000 for the North Hollywood segment, together with the \$24,000,000 provided in the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act. In total, \$62,000,000 shall be available for North Hollywood construction in fiscal year 1999. This level is consistent with the levels assumed for fiscal year 1999 in the full funding grant agreement for North Hollywood.

The Committee has provided \$8,000,000 for further design, review and development of transportation alternatives in the East Side and Mid-City corridors. These funds shall not be available for construction of heavy rail subway envisioned in parts 1B and 1C of the full funding grant agreement.

The Committee is pleased with the new leadership at the LACMTA and is encouraged by the actions taken by the Board over the last several months. It is clear that the LACMTA is trying to address severe financial difficulties that have impacted its rail and bus programs, which are heavily supported by federal funds. While the LACMTA is making steady progress, it still faces serious potential capital and operating shortfalls that may impact its ability to meet the consent decree and maintain the current level of service at existing fares. To obtain information that will aid the Committee as it considers future federal support for Los Angeles transportation programs, the Committee directs the LACMTA to provide the FTA, the department's Inspector General, the General Accounting Office, and the House and Senate Committees on Appropriations a finance plan by February 1, 1999, and each year thereafter. The plan shall identify (1) the status, cost, and funding sources for completing the North Hollywood extension of the Red Line subway project; (2) the status, cost, and funding sources of current and planned activities (e.g., bus purchases) designed to comply with the bus consent decree; (3) the cost and funding sources for operating activities; and (4) the cost, schedule, and funding sources for projects planned to address the transportation needs of those areas where planned rail extensions have been suspended (e.g., Pasadena, East Side and Mid-City). The Committee expects that the plan will also identify all potential short- and long-term rail, bus, and highway program funding shortfalls, as well as potential strategies and sources of funding for addressing these shortfalls.

The Committee further expects that of the non-federal funding available to the LACMTA, capital obligations necessary to complete the construction of North Hollywood and to comply with the bus consent decree shall be met first before any other financial obligations for capital investments. The Committee further expects that the business action plans identified in 1998 and 1999 to balance

the LACMTA's budget in those years shall be implemented and not be supplanted by funding provided by this Act.

Maryland commuter rail [MARC].—The Committee recommends \$17,041,000 for the MARC commuter rail project. Planned system extensions would provide service to Washington, DC, from Frederick, MD. The extension of MARC service to Frederick consists of a 13.5-mile line which will operate on existing CSX transportation rail right-of-way. The MARC program also includes new equipment and station improvements. The local share commitment to this project is 20 percent. FTA has determined that the grantee has the financial capacity to build and operate the Frederick project, the new equipment, and make station improvements. An FFGA was issued for the Frederick extension and capital improvement projects in June 1995 for \$105,251,373. To date, Congress has made available \$87,633,965 in appropriated funds for this project as well as an additional \$33,250,000 not included in the FFGA.

Maryland Route 5 corridor project.—The Committee recommendation includes \$1,500,000 for preliminary engineering and design for the Maryland Route 5 corridor project. Maryland's Route 5 is one of the major routes from Washington, D.C. to Waldorf, Maryland and other southern points. No previous appropriations have been provided for this project.

Memphis, TN, medical center rail project.—The Committee recommends \$2,200,000 for the Memphis Medical Center rail extension project. The Memphis Area Transit Authority [MATA] currently operates the 2.2-mile Main Street trolley, a vintage rail trolley line in downtown Memphis. The Main Street trolley extension via the Riverfront loop was opened for service in October 1997. This line serves existing and proposed developments along the Mississippi River and connects with the Main Street trolley, Central Station, and North End terminal. The funds provided for the rail connection to the medical center will complete the downtown rail circulation system. Through fiscal year 1998, Congress has made available \$5,745,788 in appropriated funds for the Memphis regional rail plan.

Miami Metro-Dade Transit east-west corridor.—The Committee recommends \$3,000,000 for the proposed heavy rail line linking the suburban area southwest of Florida International University to Miami International Airport [MIA], downtown Miami, and the Port of Miami seaport. The locally preferred alternative includes an 11.2-mile minimum operable segment of heavy rail running from the Palmetto Expressway to the Port of Miami, with a spur from MIA to the Miami Intermodal Center. Capital cost estimates for the project total \$1,580,000,000. Preliminary engineering and the final environmental impact statement are currently being completed, and the funds provided in this bill will allow the Florida Department of Transportation to begin construction activities.

Miami Metro-Dade North 27th Avenue corridor project.—The Metro-Dade Transit Agency (MDTA) is considering rail, busway and bus operations for improving transportation in the 9.5 mile N.W. 27th Avenue corridor. One alternative is an elevated heavy rail line which would operate in full integration with stage 1 metrorail, connect with major regional educational and sports facilities, and terminate at the Dade/Broward county line. The preliminary

capital cost of the rail alternative is \$453–\$463 million. This includes final design, right-of-way and rolling stock acquisition. To date, Congress has appropriated \$8,940,000 for this project. For fiscal year 1999, the Committee recommends \$1,000,000.

Mission Valley East light rail transit project.—The Metropolitan Transit Development Board (MTDB) is planning to build a 5.9 mile Mission Valley East light rail transit (LRT) extension from east of Interstate 15 to the City of La Mesa, California, where it would connect to the existing East LRT line, now referred to as the Orange Line, near Baltimore Drive. The line would serve four new stations at Grantville, San Diego State University, Alvarado Medical Center, and 70th Street, and would include elevated, at-grade, and tunnel portions. The project will provide two park-and-ride lots and a new access road between Warning Road and Grantville Station. The total project capital costs equal \$332,000,000. The project is expected to serve approximately 10,800 daily riders in the corridor by 2015, and 2.5 million new systemwide annual transit trips. It is anticipated that the project's final environmental impact statement can be certified and the design and engineering phase initiated in fiscal year 1998. Through fiscal year 1998, Congress has appropriated \$1,000,000 for this project. The Committee recommends an appropriation of \$2,000,000 in fiscal year 1999.

Nashville, Tennessee regional commuter rail.—The Committee recommends \$500,000 for feasibility studies, a major investment study, and preliminary engineering on a commuter rail service connecting the downtown Nashville area with other areas in the Southeast region of the United States. The proposed commuter rail system would incorporate approximately five existing rail lines, and would be phased in over a 20-year period, with a mutual terminus in downtown Nashville. No previous appropriations have been provided for this project.

New Jersey urban core Hudson-Bergen project.—The Committee recommends \$70,000,000 for the New Jersey urban core project—Hudson-Bergen light rail line. The urban core project consists of a number of rail improvements designed to improve mobility in northern New Jersey, and consists of the following segments: Secaucus transfer; Kearney connection; Northeast corridor signal system; improvements to New York Penn Station; Hudson-Bergen LRT; and Newark-Newark International Airport-Elizabeth transit link, which also includes a rail connection between the Penn and Broad Street Stations in Newark. The local financial commitment is accounted for through the ISTEA toll revenue credit provision. ISTEA earmarked \$634,400,000 for the entire urban core program of projects. The Hudson-Bergen project is a 20.1-mile, 33-station at-grade LRT line from the Vince Lombardi park-and-ride lot through Hoboken and Jersey City to Route 440 in southwest Jersey City and 34th Street in Bayonne. The 9.6-mile initial operating segment is now under construction.

New Orleans Canal Street corridor project.—The Regional Transit Authority is developing a 4.7-mile streetcar project in downtown New Orleans. The Canal Streetcar Spine would extend along the median of Canal Street from the Canal Ferry at the Mississippi River in the central business district, through the Mid-City neighborhood, to two outer termini at the Cemeteries and City Park/

Beauregard Circle. The capital cost is estimated to be \$136.4 million. The record of decision for the project was issued by FTA on August 28, 1997. In September 1997, the FTA approved the initiation of final design. Through fiscal year 1998, Congress has appropriated \$32,360,000 for the project. The Committee recommendation includes an appropriation of \$43,000,000 for the project in fiscal year 1999.

New Orleans Desire Streetcar project.—The Regional Transit Authority will begin a major investment study to consider transportation alternatives in a half mile area of downtown New Orleans from North Rampart Street/St. Claude Avenue on the north and the Mississippi River on the south. The corridor contains densely developed residential areas, the F. Edward Hebert Defense Complex which is home to the U.S. Navy Support Activity Center, the French Quarter (Vieux Carre), and two other historic neighborhoods (Faubourg Marigny and Bywater). The alternatives that are being studied include a streetcar (build) alternative, a transportation management alternative, and a no build alternative in terms of providing improved transit service to the corridor. Through fiscal year 1998, Congress has appropriated \$2,000,000 for the project. The Committee recommendation includes an appropriation of \$2,000,000 for the project.

Norfolk-Virginia Beach regional rail project.—The Tidewater Transportation District Commission (TTDC) is planning an 18.25-mile light rail transit (LRT) line from the oceanfront area in Virginia Beach to downtown Norfolk. The proposed LRT alignment generally follows the Norfolk-Southern right-of-way. TTDC estimates that the LRT will cost \$376,500,000 to construct, and will carry 33,000 to 39,000 daily riders in the year 2010. The Norfolk-Virginia Beach Corridor has been and continues to be an area of significant growth in the Hampton Roads region. TTDC has completed a major investment study to evaluate transit/transportation improvements in the 30-mile corridor extending from Virginia Beach to downtown Norfolk and the Norfolk Naval Base. TTDC selected the light rail transit alternative for the 18.25 mile segment from Virginia Beach to downtown Norfolk as the locally preferred alternative. Through fiscal year 1998, Congress has appropriated \$1,990,000 for this project. For fiscal year 1999, the Committee recommends \$2,000,000 for the project.

Northern Indiana South Shore commuter rail extension.—The Committee recommends \$2,000,000 for the Northern Indiana South Shore commuter rail extension project. The Northern Indiana Commuter Transportation District [NICTD] operates the South Shore Line passenger service between South Bend, IN, and the Randolph Street Station in Chicago, IL. In order to meet the growing demand for commuter rail service in northern Indiana, appropriated funds to be matched with local funds, will be used for the purchase of additional passenger train cars. This effort is currently in the system planning study phase. Through fiscal year 1998, Congress has made available \$4,483,573 in appropriated funds. The Committee has provided funding to the South Shore commuter rail line to assist with the acquisition of an eight-car train set.

North Shore corridor.—The Committee understands that the Massachusetts Bay Transportation Authority (MBTA) believes that

a comprehensive analysis of transportation alternatives for the North Shore area is warranted. This major investment study would evaluate in accordance with FTA procedures and requirements a variety of mass transit improvements for the North Shore including improved commuter rail service in the corridor and the extension of the Blue Line of MBTA's rapid transit service to Beverly, Massachusetts. Due to budget constraints, the Committee has not included discretionary funds for this purpose, but believes that such a study may be beneficial and that the MBTA may utilize its federal transit formula funds to conduct such a study.

Oceanside-Escondido light rail project.—The North County Transit District (NCTD) is the lead agency planning the conversion of an existing 22-mile freight rail corridor into a light rail transit system running from the coastal city of Oceanside, through the cities of Vista, San Marcos, and unincorporated portions of San Diego County, to the City of Escondido. A proposed alignment will serve the California State University San Marcos, including an additional 1.7 miles of new rail right-of-way. The proposed rail system would serve fifteen stations, four of these stations would be located at existing transit stations. Through fiscal year 1998, Congress has appropriated \$2,990,000 for the project. For fiscal year 1999, the Committee recommends an appropriation of \$5,500,000.

Orange County, California transitway project.—The Orange County Transportation Authority (OCTA) and the California Department of Transportation (Caltrans) are currently completing a 108-mile system of HOV lanes and developing an intermodal transportation network in Orange County. Previous federal appropriations provided \$23,325,000 for construction of one element of Orange County's HOV lane system—the I-405/SR-55 transitway. OCTA will complete construction of the \$164,000,000 I-405/SR-55 transitway project and add express buses and park-and-ride lots with local funds. OCTA is seeking continued federal appropriations for the bus and rail transit elements of the Central Orange County Transitway project for which the Committee has included \$4,000,000 in fiscal year 1999.

Orlando Lynx light rail project.—The Committee recommends \$17,500,000 for the Orlando, Florida, Lynx light rail project. The locally preferred alternative, selected in September 1995, includes highway improvements along a 75-mile corridor and a light rail transit (LRT) component along a 52-mile corridor at a capital cost of \$2,700,000,000. A 25-mile minimum operating segment of the LRT is completing a preliminary engineering and draft impact statement (PE/DIS). The proposed 26.8-mile, 27-station LRT project is estimated to have a capital cost total of \$878,800,000. Through fiscal year 1998, Congress has made available \$33,683,196 in appropriated funds for this project.

Philadelphia-Reading SEPTA Schuylkill Valley Metro.—The Committee recommends \$2,000,000 for line engineering and initial construction on the 62-mile commuter rail service to be instituted between Philadelphia and Reading, Pennsylvania. The system plans to incorporate 28 stops. A feasibility study for the Schuylkill Valley Metro has been completed, and local funding of \$5,000,000 has been approved to commence a major investment study this summer.

Philadelphia SEPTA Cross County Metro.—The Committee recommends \$1,000,000 for the Cross County Metro corridor, which will extend approximately 48 miles from Glenloch, Chester County, Pennsylvania, to Morrisville, Bucks County, along Conrail's existing Trenton cutoff freight rail-line. The project has received \$2,400,000 in prior-year funding for preliminary engineering and design, and the feasibility study has been completed. A draft environmental impact statement is scheduled for completion in June 1998. The funds provided in this act are for further engineering and design work, and necessary right-of-way improvements.

Phoenix metropolitan area transit project.—The Committee recommends \$8,000,000 for the Phoenix metropolitan area transit project. In February 1997, the Maricopa Association of Governments Regional Council adopted an 18-mile fixed guideway corridor into the region's 1997 long range transportation plan. This corridor links the high employment cores along Central Avenue in Phoenix, and the downtowns of Phoenix, Tempe and Mesa. This corridor also serves Sky Harbor International Airport, Arizona State University, three major sports facilities, Tempe's Rio Salado development and residential concentrations surrounding each end of the corridor. The Regional Public Transit Authority in October 1996 initiated two major investment studies to study transportation alternatives in the corridor. The first study, the Central Phoenix/East Valley MIS, addressed alternative investment strategies within the entire corridor. The second study, the Downtown Tempe MIS, focused on a sub-area within the corridor, linking downtown Tempe with Arizona State University, the Rio Salado development, and surrounding commercial and residential concentrations. After considerable analysis, it was concluded that the preliminary technology and alignment for both studies were mutually compatible. As a result, recommendations from the Downtown Tempe MIS and Central Phoenix/East Valley MIS were combined for the final phase of analysis. Alternatives under consideration include a light rail transit alignment linking Phoenix, Tempe, and Mesa; bus service improvements; and commuter rail along the existing Union Pacific Railroad. The locally preferred alternative (LPA) for the Tempe sub-area was approved by the Tempe City Council in December 1997, and includes a three to four mile light rail transit alignment. The LPA for the remainder of the Central Phoenix/East Valley corridor was to be completed in February 1998. Through fiscal year 1998, Congress has provided \$4,000,000 for the project.

Pittsburgh-Allegheny County busway and light rail projects.—The Committee recommends an appropriation of \$3,000,000 for projects under consideration by the Port Authority of Allegheny County, Pennsylvania. The Port of Allegheny County has begun environmental assessments and preliminary engineering on a new 2.3-mile extension of the 6.8-mile Martin Luther King, Jr. east busway, which was completed in 1983 and carries 30,000 riders daily. The extension will serve the communities of Edgewood, Swissvale, and Rankin, including park-and-ride lots, which the current busway lacks. The Port Authority is also reconstructing the Overbrook, Library, and Drake trolley lines in Allegheny County to upgrade the line to light rail standards, in an effort to complete the last twelve miles of a 25-mile rail system serving Pittsburgh's southern sub-

urbs. The Committee's recommendation permits the Port Authority of Allegheny County to allocate the appropriation to the various projects as it determines to be appropriate.

Portland Westside/Hillsboro LRT and South-North light rail projects.—The Committee recommends \$25,718,000 for the Portland Westside LRT project. Within the funds provided, not more than \$1,000,000 may be available for the South/North light rail project. Tri-County Metropolitan Transportation District of Oregon (Tri-Met) is building a light rail transit extension from downtown Portland, west through Beaverton, to a terminus in downtown Hillsboro. The total estimated cost of the project is \$963,522,674. In downtown Portland, the 17.7-mile extension will connect to the existing Banfield LRT line (MAX) that operates between Portland and Gresham. In August 1997, 12 vehicles went into service on the existing line. Construction is nearing completion along the entire alignment. Tri-Met initiated revenue service to the project's first stations in August 1997 with full service over the entire line scheduled for September 1998. The local share commitment to this project is 27 percent. The cost-effectiveness index is \$12 per new passenger trip. In September 1992, FTA and Tri-Met entered into a full funding grant agreement (FFGA) for the 12-mile segment from downtown Portland to 185th Avenue. The section 5309 new start share for this segment was \$515,990,000. The FFGA was amended in 1994 to add the 6.2-mile Hillsboro extension, bringing the total section 5309 share to \$590,060,336. An additional \$40,000,000 was added to the project in fiscal year 1996. Through fiscal year 1998, Congress has made available \$593,471,931 in appropriated new start funds.

Puget Sound RTA Link light rail.—The Committee recommends \$1,000,000 for preliminary engineering, environmental analyses, siting, and design of stations and maintenance facilities, and development of station area plans for the light rail component of the Puget Sound regional transit system plan. The link light rail will complement the sounder commuter rail system in the Tacoma to Everett Puget Sound corridor. The light rail will run from Seattle-Tacoma International Airport to Northgate, utilizing an already-built downtown Seattle transit tunnel. A major investment study for the light rail project has already been performed. Total costs of the link light rail project are estimated to be \$539,000,000.

Puget Sound RTA Sounder commuter rail project.—The Committee recommends \$19,500,000 for the Seattle-Tacoma-Sound Move light rail and commuter rail project. The three-county Central Puget Sound Regional Transit Authority (RTA) Board has adopted a 10-year regional plan. The estimated capital cost of the project is \$3,068,000 and will cover proposed transportation improvements, substantial commuter rail service in the region principally between Seattle and Tacoma, as well as LRT, and expanded bus service. A major investment study was completed in March 1997. FTA approved the initiation of preliminary engineering for the Central LRT project in August 1997. The draft environmental impact statement (DEIS) is scheduled to be completed in fall 1998. The local share commitment on the total project is 76 percent. FTA has rated both the financial plan and the operating plan as medium-high.

Through fiscal year 1998, Congress has made available \$20,920,851 in appropriated funds for this project.

Raleigh-Durham-Chapel Hill Triangle Transit.—The Committee recommends \$8,000,000 for the Research Triangle Park transit plan in Raleigh-Durham, North Carolina. The phase 1 regional rail project is the proposed initial segment of a three-phased project that will link the three counties—Wake, Durham, and Orange—in the Triangle region of North Carolina in a 35-mile regional commuter rail system. In phase 1, the Triangle Transit Authority (TTA) intends to initiate regional rail service from Durham to downtown Raleigh to north Raleigh. TTA proposes to use diesel multiple unit rail vehicles to serve the 16 anticipated (phase 1) stations. The proposed project will use the existing North Carolina Railroad and CSX rail corridors to connect Duke University, downtown Durham, Research Triangle Park, RDU Airport, Morrisville, Cary, North Carolina State University, downtown, and north Raleigh. The capital cost estimate for phase 1 totals \$250,000,000. The cost estimate includes: final design, acquisition of right-of-way and rail vehicles, station construction, park-and-ride lots, and construction of storage and maintenance facilities. TTA is currently in the preliminary engineering/environmental documentation phase. Through fiscal year 1998, Congress has made available \$13,947,234 in appropriated funds for the project.

Sacramento south corridor LRT extension.—The Committee recommends \$23,480,000 for the Sacramento south corridor project, the full amount for fiscal year 1999 under the project's FFGA. The Sacramento Regional Transit District (RT) is developing an 11.3-mile light rail project on the Union Pacific Railroad right-of-way. RT has elected to phase the project. Phase 1, known as the interim operable segment (IOS), consists of a 6.3-mile, \$220,000,000 LRT extension in the south Sacramento corridor. Phase 2 is also expected to cost \$220,000,000. The local share commitment to this project is 50 percent. The administration signed an FFGA with Sacramento in June 1997 to provide a commitment of \$111,200,000 in new start funds for the 6.3-mile extension. Construction is expected to begin in late 1998. Through fiscal year 1998, Congress has made available \$28,168,442 in appropriated funds for this project.

Salt Lake City south LRT.—The Committee recommends \$70,000,000 for the Salt Lake City south LRT project. Utah Transit Authority (UTA) is constructing a 15-mile light rail transit (LRT) line from downtown Salt Lake City to suburban areas to the south. The LRT line will operate at-grade on city streets in the downtown and utilize a railroad right-of-way already owned by UTA to the south of downtown. Construction is well underway and the project is expected to be completed by December 2000. FTA has negotiated an FFGA with UTA committing \$237,393,530 in new start funds to the project. Total cost of the project is \$312,500,000. Through fiscal year 1998, a total of \$129,986,471 has been made available by Congress in appropriated funds for this project.

Salt Lake City/airport to university (west-east) light rail.—The Committee recommends \$3,000,000 for developing a final environmental impact statement and beginning preliminary engineering on the proposed 10-mile light rail corridor extending from the Salt

Lake International Airport east through downtown Salt Lake City and terminating at the University of Utah. The project will also connect with the north-south LRT line in the downtown area. Light rail vehicles will operate at-grade on tracks laid in existing city streets and on property owned by the airport and by the university. Total capital costs are estimated to be \$374,000,000, with annual operating costs projected at \$7,500,000.

San Bernardino, California Metrolink project.—The Committee has provided \$2,000,000 for the San Bernardino Metrolink project. This project is to extend the Metrolink track one mile from the San Bernardino train station to a point opposite the San Bernardino stadium. This new end point will connect with the transfer station for Omnitrans, which will allow commuters to reach a much larger area through an extended bus system.

In addition to the \$2,000,000 provided in this Act for the San Bernardino Metrolink project, the Committee directs the FTA to make available for this project the \$1,000,000 provided in the fiscal year 1998 for the procurement of natural gas engines.

San Diego Mid-Coast corridor project.—The Metropolitan Transit Development Board (MTDB), the California Department of Transportation (Caltrans), and the San Diego Association of Governments (SANDAG) are proposing commuter rail improvements, a light rail line, and high occupancy vehicle (HOV) lanes in the Mid-Coast Corridor. The corridor extends approximately 12 miles along I-5, from near I-8 near Old Town, north to the vicinity of the University of California, San Diego, University Towne Centre shopping mall, and Carmel Valley. The commuter rail improvements to the Coaster stations consist of the construction of a new station and additional parking to an existing station on the Coaster commuter line. The project is estimated to cost \$7,400,000. The 10.4 mile Mid-Coast LRT project would extend from Old Town to North University City, and would include nine stations. The line would connect with the Mission Valley and South LRT lines, now referred to as the Blue Line, as the Coaster line at the Old Town Transit Center. The Balboa segment is a 3.4 mile initial LRT phase proposed from Old Town to Balboa Avenue at a cost of \$90,800,000. Total costs for the Mid Coast Balboa segment LRT and the Coaster stations equal \$98,400,000. The 10.4-mile full build LRT line and supporting bus services are estimated to cost \$374,900,000. Through fiscal year 1998, Congress has appropriated \$7,060,000 for this project. The Committee recommendation for fiscal year 1999 appropriations is \$3,000,000.

San Francisco BART extension to the airport project.—Local officials in the San Francisco area have proposed a four-station, 6.4-mile extension of the Bay Area Transit (BART) system from Colma to an intermodal station serving the San Francisco International Airport. The route will serve the cities of South San Francisco and San Bruno, connect with the airport, and continue to Millbrae. The majority of the route is to follow a combination of existing and abandoned railroad rights-of-way. Through fiscal year 1998, Congress has provided \$113,730,000. For fiscal year 1999, the Committee recommends \$74,000,000.

San Jacinto, California branch line.—The Riverside County Transportation Commission (RCTC) has purchased a 20-mile rail

line which connects the city of Riverside to Perris. The RCTC plans to upgrade this line to accommodate passenger service and connect it to Metrolink, the current commuter rail service, in Riverside. The project consists of right-of-way, grade crossing improvements, station construction and the acquisition of rolling stock. The total cost of the project is \$43,000,000, of which \$31,000,000 is needed for construction and \$12,000,000 to purchase rolling stock. For fiscal year 1999, the Committee has provided \$500,000 for this commuter rail project.

San Jose Tasman LRT project.—The Committee recommends \$35,000,000 for the Tasman LRT project. Phase I west extension consists of 7.6 miles of surface LRT from the northern terminus of the Guadalupe LRT in Santa Clara, west through Sunnyvale, to the CalTrain commuter rail station in Mountain View. The project will include 11 stations and will be double tracked except for partial single tracking between Mountain View and Lockheed stations. The West Extension is estimated to cost \$325,000,000, and received an FFGA in July 1996. To date, appropriations for the project have totaled \$124,080,000.

San Juan Tren Urbano.—The Committee recommends \$60,000,000 for continuing construction on the 10.7-mile 14-station rapid rail-line between Bayamon Centro and the Sagrado Corazon area of Santurce in the San Juan metropolitan area. The system consists of a double-track line operating over at-grade and elevated rights-of-way, with a short below-grade segment. The FTA issued a full funding grant agreement in March 1996 to provide a total of \$307,410,000 to complete the project. To date, a total of \$33,380,000 has been provided in Federal new starts appropriated funds.

South Boston Piers MOS-2 project.—The Committee recommends \$53,983,000 for the South Boston Piers Transitway project. This project consists of a 1-mile bus tunnel connecting South Station to the Fan Pier and to the World Trade Center. The tunnel will be used by electric trolleybuses and its construction is timed to coincide with the central artery/tunnel highway project now underway. The project is under construction. The local share commitment to this project is 20 percent. An FFGA was issued in November 1994, in the amount of \$330,726,320. Through fiscal year 1998, Congress has made available \$188,300,861 in appropriated funds.

South DeKalb-Lindbergh Corridor LRT.—The Committee recommends \$1,000,000 for preliminary planning and a draft environmental impact statement design for a proposed 14.5-mile light rail system in the south DeKalb County to Lindbergh, GA, Emory University transportation corridor. The Metropolitan Atlanta Regional Transportation Authority (MARTA) is currently examining route alternatives for this corridor.

Spokane, Washington light rail project.—The Spokane Regional Transportation Council has conducted a major investment study (MIS) to examine the impacts of high capacity transportation on a proposed 160-mile corridor between the central business district of Spokane, Washington and Liberty Lake. The proposed corridor would connect major residential and employment centers within the Spokane Valley. Spokane has been identified as a “serious” nonattainment area for carbon dioxide. Trips along the corridor

nearly double based on the population and employment forecasts between the years 1990 and 2020. The MIS considered three alternatives including: high occupancy vehicle (HOV) lanes, express busways, and light rail. Based on the results of a draft MIS, light rail was selected as the preferred alternative with strong local support for light rail. The MIS was included in the region's long range in November 1994. It is anticipated that the project sponsor will request to initiate preliminary engineering and the environmental impact statement process in 1998. The total estimated cost for the corridor, including local, state, and federal funding, ranges between \$200,000,000 and \$300,000,000. For fiscal year 1999, the Committee recommends \$1,000,000.

St. Louis-St. Clair county LRT extension project.—The Committee recommends \$35,000,000 for the St. Clair County corridor LRT. The initial operating segment (IOS) is a 17.4-mile extension between downtown East St. Louis, IL, and the Belleville Community College in St. Clair County, IL. The selected full project alternative is a 26-mile LRT extension with a total cost of \$426,700,000. The FFGA new starts amount, toward the IOS is \$243,930,961. The total estimated cost of the IOS is \$339,200,000. Through fiscal year 1998, \$69,610,663 has been made available from Congress in appropriated funds for this project.

Tampa Bay regional rail project.—The Hillsborough County metropolitan planning organization, in cooperation with the Hillsborough Area Regional Transit Agency, is conducting a major investment study (MIS) to examine transportation improvements in a proposed 60-mile corridor extending from the city of Lakeland in Polk County west to the city of Oldsmar in Pinellas County. Early consideration of land use and transportation connections and a broad participatory public involvement process has been implemented into the MIS. Alternatives under consideration include potential combinations of roadway, bus, busway, high occupancy vehicle lanes and fixed guideway transportation improvements. Through fiscal year 1998, Congress has provided \$1,000,000 for this project. For fiscal year 1999, the Committee recommends \$500,000.

Twin Cities Transitways project.—The Committee provides \$22,000,000 for the Twin Cities Transitways project, which centers on the development and construction of the Hiawatha Corridor light rail transit line. The Twin Cities of Minneapolis-St. Paul is the 15th largest metropolitan area in the nation, with a population of 2.6 million. In recent years, traffic congestion, pollution and related problems have increased dramatically, with significant adverse impacts on residents. The Twin Cities region has concluded that a network of transitways is indispensable to manage growth wisely and encourage land use and behavioral choices that enhance the Twin Cities' quality of life. The Committee commends local, regional and state efforts to study and develop new fixed guideways in the Hiawatha, Riverview, Northstar and Red Rock Corridors that best serve the transportation needs of the Twin Cities metropolitan area.

Virginia railway express (VRE) Fredericksburg to Washington commuter rail project.—The Committee has provided \$2,000,000 for

the Virginia Railway Express (VRE) Fredericksburg to Washington commuter rail project.

West Trenton, New Jersey rail project.—The Committee recommendation includes \$1,000,000 for the West Trenton, New Jersey rail project. The project intends to restore commuter service on the West Trenton rail corridor, connecting the towns of Manville, Belle Mead, Hillsborough, Montgomery, Hopewell, Pennington, and West Trenton, in Somerset and Mercer Counties, in New Jersey. Previous appropriations of \$500,000 have been provided for this project.

Whitehall ferry terminal, New York.—The Committee recommends \$1,000,000 for construction of a new Staten Island ferry/Whitehall ferry terminal facility and connecting intermodal areas in Manhattan. The Whitehall ferry terminal suffered significant structural damage in a fire in 1991, and needs to be replaced. The new terminal will be ADA accessible and will enhance the safety and security for the 65,000 passengers using the facility daily. The project will directly connect with the New York subway system, bus services, and highway users. The total cost of the project is expected to exceed \$100,000,000. To date, the project has received \$15,000,000 in federal funds.

MAJOR CAPITAL INVESTMENTS

(HIGHWAY TRUST FUND)

(LIQUIDATION OF CONTRACT AUTHORIZATION)

Appropriation, fiscal year 1998	(---
Budget estimate, fiscal year 1999	(\$1,900,000,000)
Recommended in the bill	(---
Bill compared with:	
Appropriation, fiscal year 1998	(---
Budget estimate, fiscal year 1999	(-1,900,000,000)

The Committee recommendation disapproves the budget request which proposed to provide liquidating cash for the proposed major capital investments program. Funding for this program is currently provided under the section 5309 capital investment grants program, and liquidating cash to pay those obligations is provided under current law. The new program structure requested by the Administration was not incorporated in TEA21.

MASS TRANSIT CAPITAL FUND

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1998	\$2,350,000,000
Budget estimate, fiscal year 1999 ¹	---
Recommended in the bill	1,805,600,000
Bill compared with:	
Appropriation, fiscal year 1998	-544,400,000
Budget estimate, fiscal year 1999	+1,805,600,000

¹ The budget proposes to fund the liquidating cash appropriation under a new account entitled mass capital investments.

This liquidating cash appropriation covers obligations incurred under contract authority provided for activities previously discussed under the capital investment grants program. The Commit-

tee recommends \$1,805,600,000 in liquidating cash for mass transit capital programs.

JOB ACCESS AND REVERSE COMMUTE GRANTS

	<i>Appropriation (general fund)</i>	<i>Limitation on obligations (trust fund)</i>
Appropriation, fiscal year 1998	---	---
Budget estimate, fiscal year 1999 ¹	---	---
Recommended in the bill	\$10,000,000	(\$40,000,000)
Bill compared to:		
Appropriation, fiscal year 1998	+10,000,000	(+40,000,000)
Budget estimate, fiscal year 1999	+10,000,000	(+40,000,000)

¹The budget included a request to set-aside \$100,000,000 for access to job activities from the formula grants program.

The fiscal year 1999 budget request and the Administration's reauthorization proposal for the surface transportation programs, NEXTEA, proposed to establish a new access to jobs and training program. The program was to be funded at \$100,000,000 in fiscal year 1999 as a set-aside from the formula program. The proposal intended to provide enhanced transportation services for low-income individuals, including former welfare recipients, traveling to jobs or training centers.

Section 3037 of TEA21 establishes such a program, the jobs access and reverse commute grants program. For fiscal year 1999, the program is funded at a total level of \$50,000,000, with no more than \$10,000,000 derived from the general fund and \$40,000,000 derived from the mass transit account of the highway trust fund. These funds are guaranteed under the transit funding category.

The program is to make competitive grants to qualifying metropolitan planning organizations, local governmental authorities, agencies, and non-profit organizations in urbanized areas with populations greater than 200,000. Grants may not be used for planning or coordination activities. No more than \$10,000,000 may be provided for reverse commuter grants.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Appropriation, fiscal year 1998	\$200,000,000
Budget estimate, fiscal year 1999 ¹	50,300,000
Recommended in the bill	50,000,000
Bill compared with:	
Appropriation, fiscal year 1998	- 150,000,000
Budget estimate, fiscal year 1999	- 300,000

¹The budget proposed that the appropriation be derived from the highway trust fund.

The bill provides \$50,000,000 to complete the construction of the Washington, D.C. Metrorail system. This level is a decrease of \$150,000,000 below the 1998 enacted level and \$300,000 below the budget request. This appropriation is guaranteed under the transit funding category.

This appropriation concludes the federal share of the costs to construct the Washington, D.C. Metrorail system. A total of \$11,000,000,000 of local and federal funds will have been invested in the Washington Metropolitan Area Transit Authority's rail system. The federal government's portion will be \$8,000,000,000. This figure includes funding from the 1990 reauthorization, interest and principal on \$997,000,000 in federally-guaranteed bonds through

fiscal year 1994, as well as interest expense and the cost of refinancing these bonds in fiscal year 1994.

The following table summarizes funding made available to date for the construction and completion of the 103-mile Washington Metrorail system:

WASHINGTON METRO FUNDING SUMMARY
(in millions of dollars)

(29.5 Mile System)

			LOCAL	FEDERAL	TOTAL
FUNDS APPROPRIATED (MATCH)					
Direct Appropriations (1/3-2/3's)			573.5	1,147.9	1,720.5
Mid-City Line add-on (100% DC)			3.0	6.9	3.0
Add-ons (100% local)			12.9	6.9	12.9
Elderly and Handicapped Facilities (20%-80%)			13.0	52.0	65.0
Arlington Cemetery Station (100% Federal)			0.0	7.4	7.4
Federal-Aid Urban Systems (10%-90%)			3.2	28.5	31.7
Interstate Transfer Grants - Transit			453.8	2,188.8	2,609.6
Stark-Harris (20%-80%) [P.L. 95-184]	(Local)	(Federal)			
FY 1983	60.0	240.0			
FY 1984	62.5	250.0			
FY 1985	62.5	250.0			
FY 1986	54.0	217.2			
FY 1987	50.0	201.1			
FY 1988	44.9	180.5			
FY 1989	41.8	168.0			
FY 1990	21.1	84.7			
FY 1991	15.9	64.1			
FY 1992	7.0	28.0			
FY 1993	4.0	16.1			
FY 1994	0.0	0.2			
FY 1985-94 PMO (100% Fed)	N/A	[4.8]			
Total, Stark-Harris			423.7	1,700.9	2,123.7
TOTAL APPROPRIATED FOR 29.5 MILE SYSTEM			1,483.1	6,040.7	6,573.8

(13.5 Mile System)

			LOCAL	FEDERAL	TOTAL
NATIONAL CAPITAL					
TRANSPORTATION AMENDMENTS OF 1990 (38.8%-62.6%)					
FUNDS APPROPRIATED	(Local)	(Federal)			
FY 1992	57.3	98.0			
FY 1993	91.9	153.9			
FY 1994	119.3	199.8			
FY 1995	119.4	200.0			
FY 1996	119.4	200.0			
FY 1997	119.4	200.0			
FY 1998	119.4	200.0			
FY 1999 Request	30.0	50.3			
FY 1992-98 PMO (100% Fed)	(N/A)	[8.1]			
Total Authorization For 13.5 Mile System			776.1	1,306.8	2,078.1

Funds Derived from Bonds

	LOCAL	FEDERAL	TOTAL
Matching Bond Sales	48.5	6.8	48.5
BOND OBLIGATIONS (FY 1974 - 1995)			
Interest Payments on Bonds	436.8	963.3	1,400.1
Refinancing Expenditures		7.2	7.2
Principle - Local	332.3		332.3
Principle Repayment of Loan	0.0	664.7	664.7
Interest (Loan from FFB)		28.9	28.9
Total:	817.8	1,660.2	2,477.8
TOTAL FUNDING FOR 163 MILE SYSTEM	3,076.8	8,080.9	11,327.7

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation's operations program consists of lock and marine operations, maintenance, dredging, planning and development activities related to the operation and maintenance of that part of the Saint Lawrence Seaway between Montreal and Lake Erie within the territorial limits of the United States.

The Committee maintains a strong interest in maximizing the commercial use and competitive position of the Saint Lawrence Seaway. The general language under this heading is the same as the language provided last year. Continuation of this language, in addition to that under the operations and maintenance appropriation, will provide the Corporation the flexibility and access to available resources needed to finance costs associated with unanticipated events which could threaten the safe and uninterrupted use of the Seaway. The language permits the Corporation to use sources of funding not designated for the harbor maintenance trust fund by Public Law 99-662, but which have been historically set aside for non-routine or emergency use-cash reserves derived primarily from prior-year revenues received in excess of costs; unused borrowing authority; and miscellaneous income.

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

Appropriation, fiscal year 1998 ¹	\$11,200,000
Budget estimate, fiscal year 1999 .....	.....
Recommended in the bill	11,496,000
Bill compared with:	
Appropriation, fiscal year 1998	+296,000
Budget estimate, fiscal year 1999	+11,496,000

¹Excludes reductions of \$7,000 for TASC.

On March 4, 1996, the Vice President announced plans to restructure nine federal agencies as performance-based organizations (PBOs). The Saint Lawrence Seaway Development Corporation (Seaway) was one of the nine agencies chosen for the conversion to a PBO. Others include the Department of Commerce seafood inspection; Patent and Trademark Office; National Technical Information Service; Defense Commissary Agency; Federal Housing Administration mortgage insurance services; Government National Mortgage Association, the U.S. Mint; and Federal retirement benefit services.

Legislation and a financial plan for the Seaway's PBO was submitted to Congress in July 1996; however, it was not acted upon. The PBO legislation was resubmitted to Congress in May 1997.

As a PBO, the Seaway's primary funding mechanism would change under its proposed legislation from yearly congressional appropriations to mandatory formula-based payments. Due to the PBO proposal, the Seaway is not making an appropriation request in fiscal year 1999, but instead is seeking a mandatory payment of \$12,646,000 from the Harbor Maintenance Fund.

The bill includes an appropriation of \$11,496,000 instead of mandatory funding as requested. Establishing the Seaway as a PBO has not been authorized and it is not within this Committee's juris-

diction to do so. Neither the Committee nor the department is aware of any current or pending congressional action on PBO authorizing legislation. Until authorization is enacted, the Committee will continue funding the Seaway according to current law. The Committee recommendation in no way presumes that the Seaway's status will change to a PBO.

The Committee remains concerned about certain provisions contained within the proposed PBO legislation. First, the proposed mandatory funding mechanism would guarantee a certain level of funding irrespective of overall policy goals, such as deficit reduction, which may undermine Congressional and Presidential goals to maintain a balanced budget. Second, Congress would no longer have a direct role in setting the Seaway's annual funding levels or determining how those funds should be used.

The Committee has reduced funding from the proposed mandatory payment level of \$12,646,000 for two reasons. First, payment for the Seaway is based on a five-year average of international metric tonnage moved through the Seaway, adjusted by a factor of 1.076 and adjusted for inflation. In 1997, actual Seaway tonnage decreased, thus the Corporation recalculated its needs to reflect actual tonnage for the 1997-navigation season, lowering its financial need. The Committee has taken this recalculated need into consideration. Second, in March 1998, the Secretary revoked the authority delegating the Seaway to carry out the functions of the Great Lakes Pilotage Act of 1960, and transferred these functions and four staff back to the Coast Guard, where most pilotage functions were prior to late 1995. As a result, the annual costs of the pilotage functions were not included in the appropriation for the Seaway.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

The Research and Special Programs Administration (RSPA) was originally established by the Secretary of Transportation's organizational changes dated July 20, 1977. The agency received statutory authority on October 24, 1992. RSPA has a broad portfolio. Its diverse jurisdictions include hazardous materials, pipelines, international standards, emergency transportation, and university research. As the department's only multimodal administration, RSPA provides research, analytical and technical support for transportation programs through headquarters offices and the Volpe National Transportation Systems Center.

SUMMARY OF FISCAL YEAR 1999 PROGRAM

The Committee recommends \$77,627,000 in new budget authority and limitations on obligations to continue the operations, research and development, and grants-in-aid administered by the Research and Special Programs Administration. The following table summarizes fiscal year 1998 program levels, the fiscal year 1999 program requests, and the Committee's recommendations:

Program	Fiscal year 1998 enacted ¹	Fiscal year 1999 estimate	Recommended in the bill
Research and special programs	\$29,450,000	\$29,655,000	\$34,379,000
Pipeline safety ²	31,300,000	35,463,000	33,448,000

Program	Fiscal year 1998 enacted ¹	Fiscal year 1999 estimate	Recommended in the bill
Emergency preparedness grants (including limitations on obligations)	200,000	200,000	9,800,000
Total	60,950,000	65,318,000	77,627,000

¹ Includes \$1,000,000 provided in the Emergency Supplemental Appropriation Act of 1998 and excludes reductions of \$92,000 for TASC.

² Does not reflect funding derived from the reserve fund because it is not directly appropriated.

RESEARCH AND SPECIAL PROGRAMS

Appropriation, fiscal year 1998 ¹	\$29,450,000
Budget estimate, fiscal year 1999	29,655,000
Recommended in the bill	34,379,000
Bill compared with:	
Appropriation, fiscal year 1998	+4,929,000
Budget estimate, fiscal year 1999	+4,724,000

¹ Includes \$1,000,000 provided under the Emergency Supplemental Appropriation Act of 1998 and excludes reductions of \$48,000 for TASC.

RSPA's research and special programs administers a comprehensive nationwide safety program to (1) protect the nation from the risks inherent in the transportation of hazardous materials by water, air, highway and railroad; (2) oversee the execution of the Secretary of Transportation's statutory responsibilities for providing transportation services during national emergencies; and (3) coordinate the department's research and development policy planning, university research, and technology transfer. Overall policy, legal, financial, management and administrative support to RSPA's programs is also provided under this appropriation. The total recommended program level for research and special programs is \$34,379,000, which is \$4,724,000 more than requested. Budget and staffing data for this appropriation are as follows:

	Fiscal year 1998 enacted ¹	Fiscal year 1999 estimate	Recommended in the bill
Hazardous materials safety	\$15,342,000	\$15,863,000	\$15,863,000
(Positions)	(129)	(129)	(129)
Research and technology	3,446,000	3,851,000	3,700,000
(Positions)	(13)	(13)	(13)
Emergency transportation	2,443,000	997,000	997,000
(Positions)	(7)	(7)	(7)
Program support	8,219,000	8,944,000	8,819,000
(Positions)	(48)	(48)	(48)
Advanced vehicle technology consortia			5,000,000
Total, Research and Special Programs	29,450,000	29,655,000	34,379,000
(Positions)	(197)	(197)	(197)

¹ Include \$1,000,000 provided under the Emergency Supplemental Appropriation Act of 1998.

The Committee recommends the following changes to the budget request:

Hold research and technology to 10 percent increase-	-\$151,000
Delete funding for new electronic grant project-	-100,000
Delete funding for acquisition management training	-25,000
Fund advanced vehicle technology consortia-	+5,000,000

Research and technology.—The Committee has held research and technology to a 10 percent increase over fiscal year 1998 instead of 17 percent as requested.

Electronic grant project.—The Committee has denied funding for the electronic grant project due to budget constraints.

Acquisition management training.—The Committee has not provided any funding for acquisition management training throughout the department due to budget constraints.

Advanced vehicle technology consortia.—The Committee has provided \$5,000,000 so that RSPA can participate in a joint DOT/DOE initiative that would support a public/private partnership to design, develop, and deploy alternative fuels and propulsion systems focusing on medium and heavy vehicles. The budget request included an appropriation of \$10,000,000 within the FHWA's limitation on general operating expenses.

The Committee recognizes the work of the Northeast Alternative Vehicle Consortium to reduce vehicle emissions in the northeast, and encourages the consortium to compete for funding made available under this program.

Hazmat Training.—The Committee believes that the transportation of hazardous material presents serious safety and health risks to those workers who are not properly trained in such activities as hazardous materials classification, the use of placarding and labeling, general handling procedures, loading and unloading methods, and personal protection techniques in the event of release or damage during transportation of hazardous materials. The Committee recognizes the need for highly qualified instructors who can train front line employees to reduce the risk factors associated with the transportation of hazardous material, and encourages RSPA to consider awarding grants for this purpose authorized under section 5107(e) of title 49, U.S.C.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

	(Pipeline safety fund)	(Oil spill liability trust fund)
Appropriation, fiscal year 1998 ¹ –	\$28,000,000	\$3,300,000
Budget estimate, fiscal year 1999–	32,163,000	3,300,000
Recommended in the bill–	28,973,000	4,475,000
Bill compared with:		
Appropriation, fiscal year 1998–	+973,000	+1,175,000
Budget estimate, fiscal year 1999–	– 3,190,000	+1,175,000

¹ Excludes reductions of \$44,000 for TASC.

The pipeline safety program is responsible for a national regulatory program to protect the public against the risks to life and property in the transportation of natural gas, petroleum and other hazardous materials by pipeline. The enactment of the Oil Pollution Act of 1990 also expanded the role of the pipeline safety program in environmental protection and resulted in a new emphasis on spill prevention and containment of oil and hazardous substances from pipelines. The office develops and enforces federal safety regulations and administers grants-in-aid for state pipeline programs.

The bill includes \$33,448,000 to continue pipeline safety operations, research and development, and state grants-in-aid in fiscal year 1999. The bill specifies that, of the total appropriation, \$4,475,000 is to be derived from the oil spill liability trust fund and

\$28,973,000 is from the pipeline safety fund. In addition, the Committee has included language that permits the office of pipeline safety (OPS) to use \$1,300,000 from its reserve fund for one-call notification grants, emergency notification, and public education.

The following table summarizes the Committee's recommendation by budget activity and funding source:

Budget activity	Pipeline safety fund	Oil spill liability trust fund	Reserve fund ¹	Total
Personnel, compensation, and benefits	\$7,620,000	\$587,000	.....	\$8,207,000
Administrative expenses	3,613,000	45,000	.....	3,658,000
Contracts:				
Information and analysis	900,000	400,000	.....	1,300,000
Risk assessment and technical studies	800,000	400,000	.....	1,200,000
Compliance	200,000	100,000	.....	300,000
Training and information dissemination	821,000	100,000	.....	921,000
Emergency notification .....	.....	.....	\$100,000	100,000
Damage prevention/public education .....	.....	.....	200,000	200,000
Oil Pollution Act .....	.....	2,443,000	.....	2,443,000
Research and development	1,919,000	.....	.....	1,919,000
Grants:				
State grants	12,600,000	400,000	.....	13,000,000
Risk management	500,000	.....	.....	500,000
One-call .....	.....	.....	1,000,000	1,000,000
Total	28,973,000	4,475,000	1,300,000	34,748,000

¹ Funding derived from the reserve fund is not directly appropriated.

Authorized level.—For the past two years, the department has submitted a budget request that, in total, is below the authorized level but exceeds the authorized level for fees. As a result, the Committee has had to reallocate the request to fit within the authorized components. The Committee expects the department to submit future budget requests that fall within the authorized level, both in their components (pipeline safety fund, oil spill liability trust fund, and reserve fund) and in total.

Oil spill liability trust fund.—The budget request sought \$3,300,000 from the oil spill liability trust fund; however, the Committee has increased this amount to \$4,475,000 because there are a number of program activities that could be more suitably funded from this source instead of funded by new user fees. These changes are reflected in the table above.

Information and analysis.—The Committee has taken a slight reduction from the budget request for information and analysis (–\$65,000). This funding was to be used to apply the concepts and lessons learned from the pilot risk management demonstration project. However, this demonstration project began slower than anticipated and not all of the companies have been selected. As a result, two years of data will not be available for RSPA to analyze by the end of fiscal year 1999.

Compliance program.—The Committee has held the compliance program to the fiscal year 1998 enacted level (–\$150,000). At this level, the Committee believes that there is sufficient engineering support staff available to oversee regular inspections and monitor remediation activities.

State grants.—The Committee has provided \$13,000,000 for state grants, an increase of \$1,000,000 (8 percent) above the fiscal year

1998 enacted level. Due to budget constraints, the Committee could not appropriate the 12.5 increase requested (–\$500,000).

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

Appropriation, fiscal year 1998	\$200,000
Budget estimate, fiscal year 1999	200,000
Recommended in the bill	200,000
Bill compared with:	
Appropriation, fiscal year 1998 .....	.....
Budget estimate, fiscal year 1999 .....	.....

The Hazardous Materials Transportation Uniform Safety Act of 1990 (HMTUSA) requires RSPA to: (1) develop and implement a reimbursable emergency preparedness grant program; (2) monitor public sector emergency response training and planning and provide technical assistance to states, political subdivisions and Indian tribes; and (3) develop and update periodically a mandatory training curriculum for emergency responders.

The bill includes \$200,000, the same amount requested for fiscal year 1999, for activities related to emergency response training curriculum development and updates, as authorized by section 117(A)(i)(3)(B) of HMTUSA.

LIMITATION ON OBLIGATIONS

Bill language is included that limits the obligation of emergency preparedness training grants. RSPA intends to increase the annual funding under the Hazmat Registration Program from \$7,372,000 to approximately \$14,300,000 in 1999. However, the agency has not yet issued a notice of proposed rulemaking identifying ways to increase collections to this level. The Committee is concerned about doubling the program's collections in one fiscal year, and as such, has limited the amount RSPA can collect for the emergency preparedness grants program to \$9,600,000.

In 1995, RSPA issued a notice of proposed rulemaking recommending a graduated fee structure that would increase the total fees collected to \$19,200,000. This is the level authorized by the 1990 Hazardous Materials Transportation Uniform Safety Act. However, there was considerable industry opposition to the graduated fee structure, and after considering these comments, RSPA decided not to increase these fees without further consultation.

Since then, the Inspector General (IG) has audited RSPA's hazardous materials registration program, and found that, among other things, the administration has not identified all shippers and carriers that are potentially subject to its regulations and does not follow up to ensure that covered entities register as required. Based on these two findings, the IG projected that by better identifying hazmat entities and by following up with those who do not respond, RSPA could generate additional registration and processing fees of between \$960,000 and \$2,200,000 annually. The Committee believes that after RSPA acts upon the IG's recommendations, RSPA should be able to collect additional fees. Only after this is completed should the administration begin its negotiated rulemaking to establish a graduated registration fee. The Committee

does not believe that this action could responsibly occur prior to fiscal year 2000.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 1998 ¹	\$42,000,000
Budget estimate, fiscal year 1999	42,491,000
Recommended in the bill	43,495,000
Bill compared with:	
Appropriation, fiscal year 1998	+1,495,000
Budget estimate, fiscal year 1999	+1,004,000

¹Excludes reductions of \$59,000 for TASC.

The Inspector General's office was established in 1978 to provide an objective and independent organization that would be more effective in: (1) preventing and detecting fraud, waste, and abuse in departmental programs and operations; and (2) providing a means of keeping the Secretary of Transportation and the Congress full and currently informed of problems and deficiencies in the administration of such programs and operations. According to the authorizing legislation, the Inspector General (IG) is to report dually to the Secretary of Transportation and to the Congress.

The Committee recommendation provides \$43,495,000 for activities of the Office of Inspector General, an increase of \$1,004,000 above the administration's request and \$1,495,000 (3.5 percent) above the level for comparable activities during fiscal year 1998.

Audit reports.—The Committee requests the Inspector General to continue forwarding copies of all audit reports to the Committee immediately after they are issued, and to continue to make the Committee aware immediately of any review that recommends cancellation or modifications to any major acquisition project or grant, or which recommends significant budgetary savings.

SURFACE TRANSPORTATION BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 1998 ¹	\$13,853,000
Budget estimate, fiscal year 1999 ²	16,000,000
Recommended in the bill	16,000,000
Bill compared with:	
Appropriation, fiscal year 1998	+2,144,000
Budget estimate, fiscal year 1999	

¹Excludes \$2,000,000 in user fees and reductions of \$3,000 for TASC.

²Represents \$16,000,000 in user fees, which offset the appropriation as collected throughout the fiscal year.

The Surface Transportation Board was created on January 1, 1996 by P.L. 104–88, the Interstate Commerce Commission (ICC) Termination Act of 1995. Consistent with the continued trend toward less regulation of the surface transportation industry, the Act abolished the ICC; eliminated certain functions that had previously been implemented by the ICC; transferred core rail and certain other provisions to the Board and certain other motor carrier functions to the Federal Highway Administration. The Board is specifically responsible for regulation of the rail and pipeline industries and certain non-licensing regulations of motor carriers and water carriers. The new law empowers the Board through its exemption authority to promote deregulation administratively on a case-by-case basis and continues intact the important rail reforms of the

Staggers Rail Act of 1980, which have helped substantially improve rail service and the profitability of the railroad industry.

The Committee recommends a total appropriation of \$16,000,000, the same amount as requested by the Board. Included in this total is an estimated \$2,600,000 in user fees, which will offset the appropriated funding.

User fees.—The Committee disagrees with the budget request to fund the entire operation of the Surface Transportation Board, or \$16,000,000, from the collection of user fees. Current statutory authority, under the Independent Offices Appropriations Act (31 U.S.C. 9701), grants the Board the authority to collect user fees; however, not to the level provided in the budget estimate. Legislative change to the Board's authorizing statute to mandate an industry assessment program of \$16,000,000 would require Congress to enact such authority prior to October 1, 1998. Even assuming that Congress approves legislation that would authorize the Board to recover the full costs of administering its programs, the Board would have to undertake necessary rulemakings to determine the appropriate level of these assessments. These rulemakings could not be completed in a timely manner to ensure adequate funding for the Board in fiscal year 1999.

Instead of fully funding the Board through user fees, the Committee believes that \$2,600,000 is a reasonable sum, based on current collections and carryover balances of \$625,000 from fiscal year 1997. Language is included in the bill allowing the fees to be credited to the appropriation as offsetting collections, and reducing the general fund appropriation on a dollar for dollar basis as the fees are received and credited. The Board has told the Committee that it would prefer language that would allow the user fees to be credited to the appropriation as offsetting collections because the tracking of the collection would be simplified.

The Committee has retained the bill language that provides that any fees received in excess shall remain available until expended but shall not be available for obligation until October 1, 1999. The carryover provision allows the Board to capture and utilize the fees from prior year filings during periods of shortfall. This language is necessary as long as there is a dollar cap associated with offsetting collections.

During fiscal year 1999, the Committee suggests that the Board revisit its user fee collection schedule to see if these fees should be altered to better reflect the Board's costs of providing these services. The Board did this type of analysis in 1996 when it increased its fees from \$1,900,000 to \$3,000,000 per year. Any analysis that the Board undertakes should reflect a gradual increase in fees, not to recoup all the operating costs of the Board in fiscal year 2000.

Union Pacific/Southern Pacific merger.—The Committee is aware that the Board has continuing jurisdiction over the Union Pacific/Southern Pacific merger in connection with the STB Finance Docket No. 32760. If it becomes necessary for the Board to issue a rule regarding the environmental mitigation study for Wichita, Kansas, the Board shall base its final environmental mitigation conditions for Wichita on verifiable and appropriate assumptions. If there is any material change in the bases of the assumptions on which the final mitigation for Wichita is imposed, the

Committee expects the Board to exercise that jurisdiction by reexamining the final environmental mitigation measures. Also, if the Union Pacific Corporation, its divisions, or subsidiaries materially changes or is unable to achieve the assumptions the Board based its final mitigation measures on, then the Board should reopen Finance Docket 32760, if requested, and prescribe additional mitigation properly reflecting these changes, if shown to be appropriate.

TITLE II—RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

Appropriation, fiscal year 1998	\$3,640,000
Budget estimate, fiscal year 1999	3,847,000
Recommended in the bill	3,847,000
Bill compared with:	
Appropriation, fiscal year 1998	+207,000
Budget estimate, fiscal year 1999	

The Committee recommends \$3,847,000 for the operations of the Architectural and Transportation Barriers Compliance Board, an increase of \$207,000 over the 1998 enacted level, and the same as the budget request.

The activities of the Board include: ensuring compliance with the standards prescribed by the Architectural Barriers Act; ensuring that public conveyances, including rolling stock, are readily accessible to and usable by physically handicapped persons; investigating and examining alternative approaches to the elimination of architectural, transportation, communication and attitudinal barriers; determining what measures are being taken to eliminate these barriers; developing minimum guidelines and requirements for accessibility standards; and providing technical assistance to all programs affected by Title V of the Rehabilitation Act.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 1998 ¹	\$53,771,000
Budget estimate, fiscal year 1999 ²	47,200,000
Recommended in the bill	53,300,000
Bill compared with:	
Appropriation, fiscal year 1997	— 471,000
Budget estimate, fiscal year 1998	+6,100,000

¹Includes \$5,400,000 contained in the Emergency Supplemental Appropriations Act of 1998.

²The President's budget request also included an appropriation of \$6,000,000 in user fees.

Under the Independent Safety Board Act, the National Transportation Safety Board (NTSB) is responsible for improving transportation safety by investigating accidents, conducting special studies, developing recommendations to prevent accidents, evaluating the effectiveness of the transportation safety programs of other agencies, and reviewing appeals of adverse actions involving airman and seaman certificates and licenses, and civil penalties issued by the Department of Transportation.

The bill includes an appropriation of \$53,300,000 for salaries and expenses, which is \$6,100,000 more than requested in the President's budget, and does not assume the collection of \$6,000,000 in user fees.

The following table summarizes the fiscal year 1998 program level, the President's fiscal year 1999 request, and the Committee's recommendations:

Program	Fiscal year 1998 enacted		Fiscal year 1999 estimate		Recommended in bill	
	Staff years	Budget authority ¹	Staff years	Budget authority ²	Staff years	Budget authority
Policy and direction	91	\$11,703,000	91	\$12,150,000	91	\$12,150,000
Aviation safety	139	15,943,000	139	19,065,000	139	19,065,000
Surface transportation	96	11,465,000	96	12,155,000	96	12,255,000
Research and engineering	66	7,902,000	66	8,420,000	66	8,420,000
Administrative law judges	10	1,358,000	10	1,410,000	10	1,410,000
Total	402	48,371,000	402	53,200,000	402	53,300,000

¹ Does not include \$5,400,000 supplemental emergency appropriations. That funding was appropriated for rental payments of the Calverton facility in New York.

² Includes \$6,000,000 in user fees.

The Committee expects to be advised if the Board proposes to deviate in any way from the staff year allocations or by more than five percent from the funding allocations listed above.

Truck and bus accidents.—The Committee is concerned about the growing number of truck and bus accidents. After years of declining vehicle crash rates and fatalities rates, both large trucks and intercity passenger buses are experiencing an upswing in crash and fatality rates. The Committee directs the Safety Board to monitor the bus situation carefully and include it as part of the Board's special investigation of bus crashworthiness and survivability. In addition, the Committee directs the Board to closely monitor commercial motor vehicle accident and fatality rates to determine whether or not these accident rates are growing as a result of increased speeds on the nation's highways. The Committee has provided \$100,000 above the budget request to do this additional work.

User fees.—The Committee has denied the request to collect \$6,000,000 in user fees. This request was based on the assumption that legislation authorizing a commercial aviation accident investigation fee would be enacted, and available for expenditure. The Committee does not have the jurisdiction to authorize the collection of this fee and is opposed to such a fee because it makes certain transportation sectors (i.e. the aviation industry) responsible for paying accident investigation costs while other sectors (i.e. rail, highway, marine, etc.) would not be responsible for these costs. In addition, such fees do not appear to meet existing definitions of user fees, and might, upon further analysis, be defined as new taxes.

EMERGENCY FUND

Appropriation, fiscal year 1998	\$1,000,000
Budget estimate, fiscal year 1999	1,000,000
Recommended in the bill	1,000,000
Bill compared with:	
Appropriation, fiscal year 1998	
Budget estimate, fiscal year 1999	

The bill includes an appropriation of \$1,000,000 for the emergency fund. Under Public Law 97-257, Supplemental Appropriation Act, 1982, Congress provided a \$1,000,000 emergency fund to be used for accident investigation expenses when investigations would otherwise have been hampered by lack of funding. By adopting this

request, the Committee is doubling the size of the emergency fund to \$2,000,000. At this level, sufficient funds should be available for unanticipated or unusually expensive accident investigations. The Committee directs that this fund should continue to be used only for accident investigation expenses when investigations would otherwise have been hampered by a lack of funding. New activities, such as providing assistance to families of victims of transportation disasters, are not eligible. The Committee has provided ample funding for family assistance activities under the Safety Board's salaries and expenses account.

TITLE III—GENERAL PROVISIONS

(INCLUDING TRANSFERS OF FUNDS)

The Committee concurs with the general provisions that apply to the Department of Transportation and related agencies as proposed in the budget with the following changes:

The Committee does not approve the requested deletion of the following sections, all of which were contained in the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act (section numbers are different):

Section 314 prohibits the use of funds to award multi-year contracts for production end items that include certain specified provisions.

Section 317 prohibits funds to compensate in excess of 350 staff years under the federally funded research and development contract between the Federal Aviation Administration and the Center for Advanced Aviation Systems Development.

Section 318 reduces funding for activities of the Transportation administrative service center of the Department of Transportation and limits obligation authority of the center to \$89,124,000. The fiscal year 1998 bill limited obligation authority of the center to \$118,800,000.

Section 320 prohibits funds to be used to prepare, propose, or promulgate any regulation pursuant to title V of the Motor Vehicle Information and Cost Savings Act prescribing corporate average fuel economy standards for automobiles as defined in such title, in any model year that differs from standards promulgated for such automobiles prior to enactment of this section.

Section 323 prohibits the use of funds for any type of training which (a) does not meet needs for knowledge, skills, and abilities bearing directly on the performance of official duties; (b) could be highly stressful or emotional to the students; (c) does not provide prior notification of content and methods to be used during the training; (d) contains any religious concepts or ideas; (e) attempts to modify a person's values or lifestyle; or (f) is for AIDS awareness training, except for raising awareness of medical ramifications of AIDS and workplace rights.

Section 324 prohibits the use of funds in this Act for activities designed to influence Congress on legislation or appropriations except through proper, official channels.

Section 325 limits necessary expenses of advisory committees to \$1,000,000 of the funds provided in this Act to the Department of Transportation.

Section 327 requires compliance with the Buy American Act.

Section 329 prohibits funds to implement or enforce regulations that would result in slot allocations of international operations to any carrier at O'Hare International Airport in excess of the number of slots allocated to and scheduled by that carrier as of October 31, 1993, if that slot is withdrawn from an air carrier under existing regulations.

The Committee included the following general provisions as requested with modifications:

Section 305 prohibits funds in this Act for salaries and expenses of more than 88 political and Presidential appointees in the Department of Transportation and includes a provision that prohibits political and Presidential personnel to be assigned on temporary detail outside the Department of Transportation.

Section 315 allows funds for discretionary grants of the Federal Transit Administration for specific projects, except for fixed guideway modernization projects, not obligated by September 30, 2001, to be used for other projects under 49 U.S.C. 5309.

Section 322 provides that funds received from the sale of data products of the Bureau of Transportation Statistics may be credited to the Federal-aid highways account for reimbursing the Bureau for such expenses and that such funds shall be subject to the obligation limitation for federal-aid highways and highway safety construction.

Section 331 credits to appropriations of the Department of Transportation rebates, refunds, incentive payments, minor fees and other funds received by the Department from travel management centers, charge card programs, the subleasing of building space, and miscellaneous sources. Funds shall remain available until December 31, 1999.

The Committee included the following new provisions:

Section 321 conveys Coast Guard lights at Tchefuncte River and Pass Manchac in Louisiana to non-federal parties.

Section 333 rescinds unobligated balances of funds made available in previous appropriations Acts for the National Civil Aviation Review Commission and for the Urban Mass Transportation Administration's "urban discretionary grants."

Section 334 conveys land from the former Coast Guard reserve training facility in Jacksonville, Florida, to non-federal parties.

Section 335 establishes a blue-ribbon panel to study the future capital requirements, roles, and missions of the Coast Guard.

Section 336 provides \$250,000 for activities and operations of a Centennial of Flight Commission.

Section 337 authorizes the Secretary to waive repayment of any federal-aid highway funds expended on high occupancy lanes or auxiliary lanes on I-287 in the State of New Jersey.

Section 338 allows previously appropriated funds for a railroad-highway crossing project in Augusta, Georgia, for other projects in Augusta, Georgia.

Section 339 restricts funding provided in the Transportation Equity Act for the 21st Century for Pennsylvania Station in excess of the \$100,000,000 federal commitment to fire and life safety repairs in the North River and East River tunnels of Pennsylvania Station.

Section 340 prohibits the Coast Guard from enforcing regulations regarding animal fats and vegetable oils.

Section 341 makes funding available for emergency railroad rehabilitation and repair available from September 1996 to July 10, 1998.

Section 342 relates to evaluating environmental impacts of the toll road in Orange and San Diego counties, California.

Section 343 provides for the conveyance of a decommissioned Coast Guard vessel to the University of South Alabama that is determined to be appropriate by the Commandant and the University.

Section 344 amends item 1132 in section 1602 of Public Law 105–178 relating to Mississippi.

Sections 345 and 346 make technical corrections to Public Law 105–178 on transit and highway guarantee funding levels.

The Committee has not included provisions proposed in the budget:

(1) pertaining to exemptions to the Federal-aid highways limitation on obligations; (2) allowing additional transfer authority not to exceed 5 percent between discretionary appropriations; (3) authorizing the collection of fees resulting from the siting of mobile service antennas; (4) allowing the Secretary of Transportation to exempt any class of vehicle deemed appropriate under 49 CFR part 580.6; and (5) authorizing new railroad safety fees.

HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

The following items are included in accordance with various requirements of the Rules of the House of Representatives:

CONSTITUTIONAL AUTHORITY

Clause 2(1)(4) of rule XI of the Rules of the House of Representatives states:

Each report of a committee on a bill or joint resolution of a public character, shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution.

The Committee on Appropriations bases its authority to report this legislation from clause 7 of section 9 of Article I of the Constitution of the United States of America which states:

No money shall be drawn from the Treasury but in consequence of Appropriations made by law

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

RESCISSIONS

Pursuant to clause 1(b) of rule X of the House of Representatives, the following table is submitted describing the rescissions recommended in the accompanying bill:

Federal Aviation Administration, Grants-in-aid for airports (airport and airway trust fund) (rescission of contract authorization)	– \$5,000,000
Title III, General Provisions:	
Section 334, National Civil Aviation Review Commission	– 752,000
Section 334, UMTA Urban discretionary grants	– 3,918,000

TRANSFERS OF FUNDS

Pursuant to clause 1(b) of rule X of the House of Representatives, the following statement is submitted describing the transfers of funds provided in the accompanying bill.

The Committee recommends the following transfers:

Under Coast Guard, Reserve training: Provided, That no more than \$20,000,000 of funds made available under this heading may be transferred to Coast Guard “Operating expenses” or otherwise made available to reimburse the Coast Guard for financial support of the Coast Guard Reserve.

Under Federal Highway Administration, Limitation on general operating expenses: Provided, That \$52,530,000 shall be transferred to the National Highway Traffic Safety Administration to carry out the functions and operations of the office of motor carriers.

Under Federal Transit Administration, Administrative expenses: Provided further, That of the funds in this Act available for the execution of contracts under section 5327(c) of title 49, United States Code, \$750,000 shall be transferred to the Department of Transportation Inspector General for costs associated with the audit and review of new fixed guideway systems.

Under the general provisions:

Sec. 316. Notwithstanding any other provision of law, any funds appropriated before October 1, 1998, under chapter 53 of title 49 U.S.C., that remain available for expenditure may be transferred to and administered under the most recent appropriation heading for any such section.

Sec. 338. Funds made available in previous appropriations Acts for a railroad-highway crossing project in Augusta, Georgia shall be available for other street, rail and related improvements in the vicinity of the grade crossing of the CSX railroad and 15th Street in Augusta, Georgia.

COMPLIANCE WITH CLAUSE 3 OF RULE XIII

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY

* * * * *

TITLE I—FEDERAL-AID HIGHWAYS

Subtitle A—Authorizations and Programs

* * * * *

SEC. 1102. OBLIGATION CEILING.

(a) GENERAL LIMITATION.—Notwithstanding any other provision of law but subject to subsections (g) and (h), the obligations for Federal-aid highway and highway safety construction programs shall not exceed—

- (1) \$21,500,000,000 for fiscal year 1998;
- (2) ~~[\$25,431,000,000]~~ \$25,511,000,000 for fiscal year 1999;

* * * * *

Subtitle F—High Priority Projects

* * * * *

SEC. 1602. PROJECT AUTHORIZATIONS.

Subject to section 117 of title 23, United States Code, the amount listed for each high priority project in the following table shall be available. (from amounts made available by section 1101(a)(13) of the Transportation Equity Act for the 21st Century) for fiscal years 1998 through 2003 to carry out each such project:

No.	State	Project description	(Dollars in millions)
1.	Georgia	I-75 advanced transportation management system in Cobb County	1.7
	* * *	* * *	
1132.	Mississippi	Construct I-20 interchange at [Pirate Cove] <i>Pirates' Cove and 4-lane connector to Mississippi Highway 468.</i>	0.75.
	* * *	* * *	
	* * *	* * *	

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TITLE VIII—TRANSPORTATION DISCRETIONARY SPENDING GUARANTEE AND BUDGET OFFSETS

Subtitle A—Transportation Discretionary Spending Guarantee

SEC. 8101. DISCRETIONARY SPENDING CATEGORIES.

(a) * * *

(b) OFFSETTING ADJUSTMENT IN DISCRETIONARY SPENDING LIMITS.—

(1) ADJUSTMENT OF NONDEFENSE CATEGORY FOR FY1999.—The discretionary spending limit set forth in section 251(c)(3)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985, as adjusted in conformance with section 251(b) of that Act, is reduced by \$859,000,000 in new budget authority and ~~[\$25,173,000,000]~~ \$25,144,000,000 in outlays.

(2) ADJUSTMENT OF DISCRETIONARY CATEGORY FOR FY2000.—The discretionary spending limit set forth in section 251(c)(4)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as adjusted in conformance with section 251(b) of that Act, is reduced by \$859,000,000 in new budget authority and ~~[\$26,045,000,000]~~ \$26,009,000,000 in outlays.

* * * * *

(f) *TECHNICAL AMENDMENTS.*—Section 250(c)(4)(C) of the *Balanced Budget and Emergency Deficit Control Act of 1985* (as amended by subsection (c) of this section) is amended—

(1) by striking “Century and” and inserting “Century or”;

(2) by striking “as amended by this section,” and inserting “as amended by the Transportation Equity Act for the 21st Century,”; and

(3) by adding at the end the following new flush sentence:
“Such term also refers to the Washington Metropolitan Transit Authority account (69–1128–0–1–401) only for fiscal year 1999 only for appropriations provided pursuant to authorizations contained in section 14 of Public Law 96–184 and Public Law 101–551.”.

SEC. 8102. CONFORMING THE PAYGO SCORECARD WITH THIS ACT.

Upon the enactment of this Act, the Director of the Office of Management and Budget shall not make any estimates under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 of changes in direct spending outlays and receipts for any fiscal year resulting from this title or from section 1102 of this Act.

* * * * *

SECTION 250 OF THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

SEC. 250. TABLE OF CONTENTS; STATEMENT OF BUDGET ENFORCEMENT THROUGH SEQUESTRATION; DEFINITIONS.

(a) * * *

* * * * *

(c) DEFINITIONS.—

As used in this part:

(1) * * *

* * * * *

(4)(A) * * *

* * * * *

(C) The term “mass transit category” refers to the following budget accounts or portions thereof that are subject to the obligation limitations on contract authority provided in the Transportation Equity Act for the 21st Century ~~[and]~~ or for which appropriations are provided pursuant to authorizations contained in that Act (except that appropriations provided pursuant to section 5338(h) of title 49, United States Code, ~~[as amended by this section,]~~ *as amended by the Transportation Equity Act of the 21st Century*, shall not be included in this category):

- (i) 69-8191-0-7-401 (Mass Transit Capital Fund).
- (ii) 69-8350-0-7-401 (Trust Fund Share of Expenses).
- (iii) 69-1129-0-1-401 (Formula Grants).
- (iv) 69-1120-0-1-401 (Administrative Expenses).
- (v) 69-1136-0-1-401 (University Transportation Centers).
- (vi) 69-1137-0-1-401 (Transit Planning and Research).

Such term also refers to the Washington Metropolitan Transit Authority account (69-1128-0-1-401) only for fiscal year 1999 only for appropriations provided pursuant to authorizations contained in section 14 of Public Law 96-184 and Public Law 101-551.

* * * * *

CHANGES IN EXISTING LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following statements are submitted describing the effects of provisions in the accompanying bill which might be construed, under some circumstances, as directly or indirectly changing the application of existing law.

The bill provides that appropriations shall remain available for more than one year for a number of programs for which the basic authorizing legislation does not explicitly authorize such extended availability.

The bill includes limitations on official entertainment, reception and representation expenses for the Secretary of Transportation and the National Transportation Safety Board. Similar provisions have appeared in many previous appropriations Acts.

The bill provides for transfer of funds that might be construed as changing the application of existing law. Similar provisions have appeared in previous appropriations Acts. These items are discussed under the appropriate heading in the report.

The bill includes a number of limitations on the purchase of automobiles, motorcycles, or office furnishings. Similar limitations have appeared in many previous appropriations Acts.

Language is included in several instances permitting certain funds to be credited to the appropriations recommended.

Language is included under Office of the Secretary, "Salaries and Expenses," which would allow crediting the account with up to \$1,000,000 in user fees.

Language is included that limits operating costs and capital outlays of the Transportation Administrative Service Center of the Department of Transportation and limits special assessments or reimbursable agreements levied against any program, project or activity funded in this Act to only those assessments or reimbursable agreements that are presented to and approved by the House and Senate Appropriations Committee.

Language is included under the Coast Guard, "Operating expenses" which specifies that the number of aircraft on hand at any one time cannot exceed two hundred and twelve.

Language is included under the Coast Guard, "Operating expenses" which specifies that none of the funds appropriated shall

be available for pay or administrative expenses in connection with shipping commissioners.

Language is included under the Coast Guard, "Operating expenses" that limits the use of funds for yacht documentation to the amount of fees collected from yacht owners.

Language is included under the Coast Guard, "Operating expenses" that specifies that the Commandant shall reduce both military and civilian employment levels to comply with Executive Order No. 12839.

Language is included under the Coast Guard, "Operating expenses" that prohibits funds to plan, finalize, or implement any regulation that would promulgate new maritime user fees not specifically authorized by law after the date of enactment of this Act.

Language is included under the Coast Guard, "Acquisition, construction, and improvements" that credits funds received from the sale of the HU-25 aircraft to this account to purchase new aircraft.

Language is included under the Coast Guard, "Acquisition, construction, and improvements" that credits funds from the disposal of surplus property by sale or lease and allows not more than \$3,000,000 to be credited as offsetting collections to this appropriation.

Language is included under Coast Guard, "Reserve training" that limits funds available for transfer to "Operating expenses" to no more than \$20,000,000 to reimburse the Coast Guard for financial support of the Coast Guard Reserve.

Language is included under Coast Guard, "Reserve training" that prohibits funds by the Coast Guard to assess direct charges on the Coast Guard Reserves for items or activities which were not so charged during fiscal year 1997.

Language is included under the Coast Guard, "Research, development, test, and evaluation" that credits funds received from state and local governments and other entities for expenses incurred for research, development, testing, and evaluation.

Language is included under the FAA, "Operations," permitting the use of funds to enter into a grant agreement with a nonprofit standard-setting organization to develop aviation safety standards.

Language is included under the Federal Aviation Administration, "Operations" that prohibits the use of funds for new applicants of the second career training program.

Language is included under the FAA, "Operations" that prohibits the use of funds for premium pay unless an employee actually performed work during the time corresponding to the premium pay.

Language is included under the FAA, "Operations" that prohibits funds from being used to operate a manned auxiliary flight service station in the contiguous United States.

Language is included under the FAA, "Operations" that limits FAA's contribution to the Transportation Administrative Service Center.

Language is included under FAA, "Operations" that prohibits multiyear leases greater than three years in length or greater than \$100,000,000 unless specifically authorized and contingent liabilities fully funded.

Language is included under FAA, "Operations" that requires that only overflight fees be used to support salaries or expenses of personnel who carry out the essential air service program.

Language is included under FAA, "Operations" that prohibits funds for FAA to sign a lease for satellite services related to the global positioning system wide area augmentation system until the FAA administrator certifies in writing that such lease will result in the lowest overall cost to the agency.

Language is included under FAA, "Facilities and equipment" that allows certain funds received for expenses incurred in the establishment and modernization of air navigation facilities to be credited to the account.

Language is included under FAA, "Facilities and equipment" that prohibits funds for additional bulk explosive detection systems until the FAA administrator certifies in writing that major air carriers responsible for providing security agree to specific stipulations.

Language is included under FAA, "Facilities and equipment" that reimburses the sponsor of Louisville Standiford Field in Kentucky for costs related to an instrument landing system.

Language is included under FAA, "Research, engineering, and development," that allows certain funds received for expenses incurred in research, engineering and development to be credited to the account.

Language is included prohibiting funds for aircraft purchase loan guarantees.

Language is included repealing the administrative service franchise fund.

The bill includes a limitation on general operating expenses and transportation research of the Federal Highway Administration.

Language is included under National Highway Traffic Safety Administration, "Operations and research" prohibiting the planning or implementation of any rulemaking on labeling passenger car tires for low rolling resistance.

Language is included under National Highway Traffic Safety Administration, "Highway traffic safety grants" limiting obligations for certain safety grant programs.

Language is included under Federal Railroad Administration, "Office of the administrator" authorizing the Secretary to receive payments from the Union Station Redevelopment Corporation, credit them to the appropriation charged with the first deed of trust, and make payments on the first deed of trust.

Language is included under Federal Railroad Administration, "Railroad safety" that allows reimbursement of states' employees travel and per diem costs when directly supporting federal railroad safety programs.

Language is included under Federal Railroad Administration, "Railroad Research and Development" that allows FRA to sell old aluminum reaction rail at the Transportation Technology Center in Pueblo, Colorado, and credits such sale to this appropriation.

Language is included authorizing the Secretary to issue fund anticipation notes necessary to pay obligations under sections 511 through 513 of the Railroad Revitalization and Regulatory Reform Act.

Language is included under Federal Railroad Administration, "Rhode Island rail development" that specifies that the federal contribution shall be matched on a dollar-for-dollar basis.

Language is included under Federal Railroad Administration, "Capital Grants to the National Railroad Passenger Corporation" that withholds funds to Amtrak until the deposit of funds provided under the Taxpayer Relief Act of 1997 and the approval of an Amtrak capital funding plan by the Secretary of Transportation, Director of the Office of Management and Budget, and the House and Senate Committees on Appropriations.

Language is included under Federal Transit Administration, "Administrative expenses" that transfers funds to the Inspector General for audit and review of new fixed guideway systems.

Language is included under Federal Transit Administration, "Discretionary grants," specifying the distribution of funds for new fixed guideway systems in this Act.

Language is included under Research and Special Programs Administration, "Research and special programs," which would allow up to \$1,200,000 in fees collected under 49 U.S.C. 5108(g) to be deposited in the general fund of the Treasury as offsetting receipts.

Language is included under Research and Special Programs Administration, "Research and special programs," that credits certain funds received for expenses incurred for training and other activities.

Language is included under Research and Special Programs Administration, "Pipeline safety" that allows up to \$1,300,000 for one-call notification systems to be funded from amounts previously collected and held in a reserve account.

Language is included under Research and Special Programs Administration, "Emergency preparedness grants," specifying the Secretary of Transportation or his designee may obligate funds provided under this head.

Language is included under Surface Transportation Board, "Salaries and expenses" allowing the collection of \$2,600,000 in fees established by the Chairman of the Surface Transportation Board; and providing that fees collected in excess of \$2,600,000 shall not be available until October 1, 1999.

Language is included under "Architectural and Transportation Barriers Compliance Board, "Salaries and expenses," that provides that funds received for publications and training may be credited to the appropriation.

Language is included in rescinding contract authority and other unobligated balances of funds previously provided.

The bill contains a number of general provisions that place limitations or funding prohibitions on the use of funds in the bill and which might, under some circumstances, be construed as changing the application of existing law.

The bill contains a number of general provisions that allow for the redistribution of previously appropriated funds.

Section 313 allows airports to transfer to the Federal Aviation Administration instrument landing systems which conform to FAA specifications and the purchase of such equipment was assisted by a federal airport aid program.

Section 318 reduced funding for activities of the transportation administrative service center of the Department of Transportation and limits obligation authority of the center to \$89,124,000.

Section 320 prohibits funds to be used to prepare, propose, or promulgate any rule under title V of the Motor Vehicle Information and Cost Savings Act prescribing corporate average fuel economy standards for automobiles.

Section 321 includes language that conveys the Pass Manchac Light in Tangipahoa Parish, Louisiana to the State of Louisiana and the Tchefuncte River Rear Light in Madisonville, Louisiana, to the Town of Madisonville.

Section 322 allows funds received by the Bureau of Transportation Statistics from the sale of data products be credited to the Federal-aid highways account for the purpose of reimbursing the Bureau for such expenses.

Section 323 prohibits funds for any type of training which: (a) does not meet needs for knowledge, skills, and abilities bearing directly on the performance of official duties; (b) could be highly stressful or emotional to the students; (c) does not provide prior notification of content and methods to be used during the training; (d) contains any religious concepts or ideas; (e) attempts to modify a person's values or lifestyle; or (f) is for AIDS awareness training, except for raising awareness of medical ramifications of AIDS and workplace rights.

Section 330 limits the number of communities that receive essential air service funding.

Section 331 credits to appropriations of the Department of Transportation rebates, refunds, incentive payments, minor fees and other funds received by the Department from travel management centers, charge card programs, the subleasing of building space, and miscellaneous sources.

Section 332 authorizes the Secretary of Transportation to allow issuers to redeem or repurchase preferred stock sold to the Department of Transportation.

Section 334 includes language that conveys land from the former Coast Guard reserve training facility in Jacksonville, Florida, to non-federal parties.

Section 335 provides funds for a blue-ribbon panel to study the future capital requirements, roles, and missions of the U.S. Coast Guard.

Section 336 provides funds for activities and operations of the Centennial of Flight Commission.

Section 337 authorizes the Secretary to waive repayment of any federal-aid highway funds expended on high occupancy lanes or auxiliary lanes on I-287 in the State of New Jersey.

Section 338 allows previously appropriated funds for a railroad-highway crossing project in Augusta, Georgia, for other projects in Augusta, Georgia.

Section 339 limits funds made available for Pennsylvania Station above the federal commitment of \$100,000,000 to fire and life safety repairs in the North River and East River tunnels.

Section 340 prohibits the Coast Guard from enforcing regulations regarding animal fats and vegetable oils.

Section 341 makes funding available in Public Law 105–174 for emergency railroad rehabilitation and repair available from September 1996 to July 10, 1998.

Section 342 relates to evaluating environmental impacts of the toll road in Orange and San Diego counties, California.

Section 343 provides for the conveyance of a decommissioned Coast Guard vessel to the University of South Alabama that is determined to be appropriate by the Commandant and the University.

Section 344 amends item 1132 in section 1602 of Public Law 105–178 relating to Mississippi.

Sections 345 and 346 make technical corrections to Public Law 105–178 on transit and highway guarantee funding levels.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following lists the appropriations in the accompanying bill which are not authorized by law:

United States Coast Guard
Federal Aviation Administration
Federal Railroad Administration
Research and Special Programs Administration
Surface Transportation Board

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, requires that the report accompanying a bill providing new budget authority contain a statement detailing how the new authority compares with the reports submitted under section 302(b) of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

(In millions of dollars)

	302(b) allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Discretionary	\$11,939	\$39,933	\$11,939	\$39,933
Mandatory	682	678	682	678
Total	12,621	40,611	12,621	40,611

The bill provides new spending authority as defined under section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, as follows:

Under Federal Railroad Administration, Railroad rehabilitation and improvement financing funds, authority is provided to issue notes necessary to pay obligations under section 511 through 513 of the Railroad Revitalization and Regulatory Reform Act. This provision has been included at the request of the administration because the government's financial obligations under this program are difficult to determine in advance and may require immediate expenditures of funds. The Committee has received no indication to date that this authority will be used in fiscal year 1998. Similar

provisions have been included in many previous appropriations Acts.

FIVE-YEAR OUTLAY PROJECTS

In accordance with section 308(a)(1)(B) of the Congressional Budget Act of 1974 (Public Law 93–344), as amended, the following information was provided to the Committee by the Congressional Budget Office:

Budget authority	\$13,733,000,000
Outlays:	
1999	16,313,000,000
2000	15,002,000,000
2001	6,351,000,000
2002	4,181,000,000
2003 and beyond	3,842,000,000

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(C) of Public Law 93–344, the Congressional Budget Office has provided the following estimates of new budget authority and outlays provided by the accompanying bill for financial assistance to state and local governments:

Budget authority	\$1,098,000,000
Fiscal year 1999 outlays	7,157,000,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999**

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget esti- mate, 1999 (3)	Recommended in bill (4)	Bill compared with appro- priated, 1998 (5)	Bill compared with budget estimate, 1999 (6)
TITLE I - DEPARTMENT OF TRANSPORTATION					
Office of the Secretary					
Salaries and expenses	61,000,000	61,930,000	.....	-61,000,000	-61,930,000
Immediate Office of the Secretary .....	.....	.....	1,623,800	+1,623,800	+1,623,800
Immediate Office of the Deputy Secretary .....	.....	.....	585,000	+585,000	+585,000
Office of the General Counsel .....	.....	.....	8,895,000	+8,895,000	+8,895,000
Office of the Assistant Secretary for Policy .....	.....	.....	2,667,200	+2,667,200	+2,667,200
Office of the Assistant Secretary for Aviation and International Affairs .....	.....	.....	7,002,200	+7,002,200	+7,002,200
Office of the Assistant Secretary for Budget & Programs Office of the Assistant Secretary for Governmental Affairs .....	.....	.....	6,069,300	+6,069,300	+6,069,300
Office of the Assistant Secretary for Administration .....	.....	.....	1,672,000	+1,672,000	+1,672,000
Office of Public Affairs .....	.....	.....	19,147,100	+19,147,100	+19,147,100
Executive Secretariat .....	.....	.....	1,377,600	+1,377,600	+1,377,600
Board of Contract Appeals .....	.....	.....	1,046,900	+1,046,900	+1,046,900
Office of Small and Disadvantaged Business Utilization .....	.....	.....	675,500	+675,500	+675,500
Office of Intelligence and Security .....	.....	.....	839,200	+839,200	+839,200
Office of the Chief Information Officer .....	.....	.....	961,100	+961,100	+961,100
Office of Intermodalism .....	.....	.....	4,400,000	+4,400,000	+4,400,000
Office of Intermodalism .....	.....	.....	1,018,000	+1,018,000	+1,018,000
Subtotal	61,000,000	61,930,000	57,979,900	-3,020,100	-3,950,100

Office of civil rights.....	5,574,000	6,966,000	6,966,000	+1,392,000	.....
Transportation planning, research, and development.....	4,400,000	4,710,000	3,035,000	-1,365,000	-1,675,000
Transportation Administrative Service Center.....	(121,800,000)	.....	(109,124,000)	(-12,676,000)	(+109,124,000)
Payments to Air Carriers (recission).....	(-2,500,000)	.....	.....	(+2,500,000)	.....
Payments to air carriers (Airport and Airway Trust Fund):					
Recission of contract authorization.....	(-41,600,000)	.....	.....	(+41,600,000)	.....
Minority business resource center program.....	1,900,000	1,900,000	1,900,000	.....	.....
(Limitation on direct loans).....	(15,000,000)	(13,775,000)	(13,775,000)	(-1,225,000)	.....
Minority business outreach.....	2,900,000	2,900,000	2,900,000	.....	.....
Amtrak Reform Council.....	2,450,000	.....	450,000	-2,000,000	+450,000
Total, Office of the Secretary.....	78,224,000	78,406,000	73,230,900	-4,993,100	-5,175,100
Coast Guard					
Operating expenses.....	2,415,400,000	2,462,705,000	2,400,000,000	-15,400,000	-62,705,000
Defense function (DSO).....	300,000,000	309,000,000	300,000,000	.....	-9,000,000
Acquisition, construction, and improvements:					
Offsetting collections.....	-9,000,000	-1,000,000	.....	+9,000,000	+1,000,000
Vessels.....	212,100,000	234,573,000	227,913,000	+15,813,000	-6,660,000
Aircraft.....	25,800,000	37,131,000	39,400,000	+13,600,000	+2,269,000
Other equipment.....	44,650,000	33,969,000	30,314,000	-14,336,000	-3,655,000
Shore facilities & aids to navigation facilities.....	68,300,000	53,650,000	42,923,000	-25,377,000	-10,727,000
Personnel and related support.....	47,000,000	48,450,000	48,450,000	+1,450,000	.....
Subtotal, A C & I appropriations.....	388,850,000	406,773,000	389,000,000	+150,000	-17,773,000
Environmental compliance and restoration.....	21,000,000	21,000,000	21,000,000	.....	.....
Alteration of bridges.....	17,000,000	.....	12,000,000	-5,000,000	+12,000,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued**

(1) Agency and item	(2) Appropriated, 1998 (enacted to date)	(3) Budget esti- mates, 1999	(4) Recommended in bill	(5) Bill compared with appro- priated, 1998	(6) Bill compared with budget estimates, 1999
Retired pay	653,196,000	684,000,000	684,000,000	+ 30,804,000	.....
Reserve training	67,000,000	67,000,000	69,000,000	+ 2,000,000	+ 2,000,000
Research, development, test, and evaluation	19,000,000	18,300,000	12,000,000	-7,000,000	-6,300,000
Boat safety (Aquatic Resources Trust Fund)	35,000,000	.....	.....	-35,000,000	.....
Total, Coast Guard	3,916,446,000	3,968,778,000	3,887,000,000	-29,446,000	-81,778,000
Federal Aviation Administration					
Operations	5,301,934,000	5,588,130,000	5,532,558,000	+ 230,624,000	-55,572,000
Facilities and equipment (Airport and Airway Trust Fund)	1,900,477,000	2,130,000,000	2,000,000,000	+ 99,523,000	-130,000,000
Research, engineering, and development (Airport and Airway Trust Fund)	199,183,000	290,000,000	145,000,000	-54,183,000	-145,000,000
Grants-in-aid for airports (Airport & Airway Trust Fund):					
(Liquidation of contract authorization)	(1,600,000,000)	(1,600,000,000)	(1,600,000,000)	.....	.....
(Limitation on obligations)	(1,700,000,000)	(1,700,000,000)	(1,800,000,000)	(+ 100,000,000)	(+ 100,000,000)
Rescission of contract authorization	(-707,000,000)	.....	(-5,000,000)	(+ 702,000,000)	(-5,000,000)
Facilities, equipment and development (rescission)	(-500,000)	.....	.....	(+ 500,000)	.....
Total, Federal Aviation Administration	7,401,594,000	8,008,130,000	7,677,558,000	+ 275,964,000	-330,572,000
(Limitations on obligations)	(1,700,000,000)	(1,700,000,000)	(1,800,000,000)	(+ 100,000,000)	(+ 100,000,000)
Total budgetary resources	(9,101,594,000)	(9,708,130,000)	(9,477,558,000)	(+ 375,964,000)	(-230,572,000)

Federal Highway Administration					
Limitation on general operating expenses	(552,266,000)	(521,883,000)	(318,733,000)	(-233,533,000)	(-203,150,000)
Limitation on transportation research			(409,150,000)	(+ 409,150,000)	(+ 409,150,000)
Federal-aid highways (Highway Trust Fund):					
(Limitation on obligations)					
(Exempt obligations)	(21,500,000,000)	(21,500,000,000)	(25,511,000,000)	(+ 4,011,000,000)	(+ 4,011,000,000)
(Liquidation of contract authorization)	(1,597,000,000)	(1,265,000,000)	(1,211,614,000)	(-385,386,000)	(-53,386,000)
Emergency relief program (emergency funding)	(20,800,000,000)	(23,000,000,000)	(24,000,000,000)	(+ 3,200,000,000)	(+ 1,000,000,000)
Motor carrier safety grants (Highway Trust Fund):					
(Liquidation of contract authorization)	(85,000,000)	(100,000,000)		(-85,000,000)	(-100,000,000)
(Limitation on obligations)	(84,825,000)	(100,000,000)		(-84,825,000)	(-100,000,000)
Appalachian Development Highway system	300,000,000	150,000,000		-300,000,000	-150,000,000
State infrastructure banks (Highway Trust Fund)					
Transportation infrastructure credit enhancement program					
(Highway Trust Fund)		100,000,000			-100,000,000
Total, Federal Highway Administration	300,000,000	250,000,000		-300,000,000	-250,000,000
(Limitations on obligations)	(21,584,825,000)	(21,600,000,000)	(25,511,000,000)	(+ 3,926,175,000)	(+ 3,911,000,000)
(Exempt obligations)	(1,597,000,000)	(1,265,000,000)	(1,211,614,000)	(-385,386,000)	(-53,386,000)
Total budgetary resources	(23,481,825,000)	(23,115,000,000)	(26,722,614,000)	(+ 3,240,789,000)	(+ 3,607,614,000)

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued**

(1) Agency and item	(2) Appropriated, 1998 (enacted to date)	(3) Budget esti- mates, 1999	(4) Recommended in bill	(5) Bill compared with appro- priated, 1998	(6) Bill compared with budget estimates, 1999
National Highway Traffic Safety Administration					
Operations and research (general fund).....	74,901,000	.....	87,400,000	+12,499,000	+87,400,000
Operations and research (highway trust fund):					
(Limitation on obligations).....	(72,061,000)	(172,902,000)	(72,000,000)	(-61,000)	(-100,902,000)
(Liquidation of contract authorization).....	.....	.....	(72,000,000)	(+72,000,000)	(+72,000,000)
National Driver Register (highway trust fund).....	.....	.....	2,000,000	+2,000,000	+2,000,000
Subtotal, Operations and research.....	(146,962,000)	(172,902,000)	(161,400,000)	(+14,438,000)	(-11,502,000)
Highway traffic safety grants (Highway Trust Fund):					
(Liquidation of contract authorization).....	(186,000,000)	(197,000,000)	(200,000,000)	(+14,000,000)	(+3,000,000)
(Limitation on obligations):					
Highway safety programs (Sec. 402).....	(149,700,000)	(166,700,000)	(150,000,000)	(+300,000)	(-16,700,000)
National Driver Register (Sec. 402).....	2,300,000	2,300,000	.....	-2,300,000	-2,300,000
Occupant protection incentive grants (Sec. 405).....	.....	(20,000,000)	(10,000,000)	(+10,000,000)	(-10,000,000)
Drugged driving incentive grants.....	.....	(5,000,000)	.....	.....	(-5,000,000)
Alcohol-impaired driving countermeasures grants (Sec. 410).....	(34,500,000)	(39,000,000)	(35,000,000)	(+500,000)	(-4,000,000)
State Highway safety data grants (Sec. 411).....	.....	.....	(5,000,000)	(+5,000,000)	(+5,000,000)

Motor carrier safety grants (Highway Trust Fund): (Liquidation of contract authorization).....	.....	.....	.....	(+ 100,000,000)	(+ 100,000,000)	(+ 100,000,000)
(Limitation on obligations).....	.....	.....	.....	(+ 100,000,000)	(+ 100,000,000)	(+ 100,000,000)
Total, National Highway Traffic Safety Administration (Limitations on obligations).....	77,201,000 (256,261,000)	2,300,000 (403,602,000)	89,400,000 (372,000,000)	+ 12,199,000 (+ 115,739,000)	+ 87,100,000 (-31,602,000)	
Total budgetary resources.....	(333,462,000)	(405,902,000)	(461,400,000)	(+ 127,938,000)	(+ 55,498,000)	
Federal Railroad Administration						
Office of the Administrator	20,290,000	21,573,000	21,367,000	+ 1,077,000	-206,000	
Railroad safety	57,067,000	61,959,000	60,948,000	+ 3,881,000	-1,011,000	
Nationwide differential global positioning system.....		3,000,000			-3,000,000	
Railroad research and development	20,758,000	20,757,000	20,477,000	-281,000	-280,000	
Northeast corridor improvement program	250,000,000			-250,000,000		
(Pennsylvania Station Redevelopment Project)	(12,000,000)			(-12,000,000)		
Next generation high-speed rail	20,395,000	12,594,000	15,294,000	-5,101,000	+ 2,700,000	
Alaska Railroad rehabilitation	15,280,000			-15,280,000		
Rhode Island Rail Development	10,000,000	10,000,000	2,000,000	-8,000,000	-8,000,000	
Grants to the National Railroad Passenger Corporation:						
Operations.....	344,000,000			-344,000,000		
Capital	199,000,000			-199,000,000		
Capital grants to the National Railroad Passenger Corporation						
Highway Trust Fund		621,476,000	609,230,000	+ 609,230,000	+ 609,230,000	
(Northeast corridor improvements).....		(200,000,000)			-621,476,000	
(Pennsylvania Station Redevelopment Project)		(11,746,530)			(-200,000,000)	
Subtotal, Grants to Amtrak	543,000,000	621,476,000	609,230,000	+ 66,230,000	-12,246,000	

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued**

(1) Agency and item	(2) Appropriated, 1998 (elected to date)	(3) Budget esti- mates, 1999	(4) Recommended in bill	(5) Bill compared with appro- priated, 1998	(6) Bill compared with budget estimates, 1999
Emergency railroad rehab & repair (emergency funding)	(9,800,000)	.....	.....	(-9,800,000)	.....
Conrail Labor protection (rescission)	(-508,234)	.....	.....	(+508,234)	.....
Total, Federal Railroad Administration	936,790,000	751,359,000	729,316,000	-207,474,000	-22,043,000
Federal Transit Administration					
Administrative expenses (general fund)	45,738,000	.....	10,800,000	-34,938,000	+10,800,000
Administrative expenses (Highway Trust Fund, Mass Transit Account) .....	.....	48,142,000	.....	.....	-48,142,000
(Limitation on obligations) .....	.....	.....	(43,200,000)	(+43,200,000)	(+43,200,000)
Subtotal, Administrative expenses	(45,738,000)	(48,142,000)	(54,000,000)	(+8,262,000)	(+5,858,000)
Formula grants (general fund)	240,000,000	.....	570,000,000	+330,000,000	+570,000,000
Formula grants (Highway Trust Fund):					
(Limitation on obligations)	(2,260,000,000)	.....	(2,260,000,000)	(+20,000,000)	(+2,280,000,000)
Operating assistance grants	(150,000,000)	.....	.....	(-150,000,000)	.....
Subtotal, Formula grants	(2,500,000,000)	.....	(2,850,000,000)	(+350,000,000)	(+2,850,000,000)
Formula programs (Highway Trust Fund, Mass Transit Account):					
(Limitation on obligations) .....	.....	(3,709,235,000)	.....	.....	(-3,709,235,000)
(Liquidation of contract authorization) .....	.....	(1,500,000,000)	.....	.....	(-1,500,000,000)

University transportation research (general fund).....	6,000,000	.....	1,200,000	-4,800,000	+1,200,000
University transportation research (Highway Trust Fund, Mass Transit Account) (limitation on obligations).....	.....	.....	(4,800,000)	(+4,800,000)	(+4,800,000)
Subtotal, University transportation research.....	(6,000,000)	.....	(6,000,000)	.....	(+6,000,000)
Transit planning and research (general fund).....	92,000,000	.....	19,800,000	-72,200,000	+19,800,000
Transit planning and research (Highway Trust Fund, Mass Transit Account).....	.....	.....	.....	.....	-91,900,000
(Limitation on obligations) .....	.....	91,900,000	(78,200,000)	(+78,200,000)	(+78,200,000)
Subtotal, Transit planning and research.....	(92,000,000)	(91,900,000)	(98,000,000)	(+6,000,000)	(+6,100,000)
Rural transportation assistance.....	(4,500,000)	(6,000,000)	(5,250,000)	(+750,000)	(-750,000)
National transit institute.....	(3,000,000)	(3,000,000)	(4,000,000)	(+1,000,000)	(+1,000,000)
Transit cooperative research .....	.....	(8,250,000)	(8,250,000)	(+8,250,000)	.....
Metropolitan planning.....	(39,500,000)	(39,500,000)	(43,841,600)	(+4,341,600)	(+4,341,600)
State planning and research.....	(8,250,000)	(8,250,000)	(9,158,400)	(+908,400)	(+908,400)
National planning and research	(36,750,000)	(26,900,000)	(27,500,000)	(-9,250,000)	(+600,000)
Subtotal.....	(92,000,000)	(91,900,000)	(98,000,000)	(+6,000,000)	(+6,100,000)
Trust fund share of expenses (Highway Trust Fund) (liquidation of contract authorization).....	(2,210,000,000)	.....	(2,446,200,000)	(+236,200,000)	(+2,446,200,000)

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued**

(1) Agency and item	(2) Appropriated, 1998 (enacted to date)	(3) Budget esti- mates, 1999	(4) Recommended in bill	(5) Bill compared with appro- priated, 1998	(6) Bill compared with budget estimates, 1999
Capital investment grants (general fund) .....	.....	.....	451,400,000	+451,400,000	+451,400,000
Capital investment grants (Highway Trust Fund, Mass Transit Account) (limitation on obligations)	(2,000,000,000)	(876,114,857)	(1,805,600,000)	(-194,400,000)	(+929,485,143)
Subtotal, Capital investment grants	(2,000,000,000)	(876,114,857)	(2,257,000,000)	(+257,000,000)	(+1,380,885,143)
(Fixed guideway modernization)	(800,000,000)	.....	(902,800,000)	(+102,800,000)	(+902,800,000)
(Buses and bus-related facilities)	(400,000,000)	.....	(451,400,000)	(+51,400,000)	(+451,400,000)
(New starts)	(800,000,000)	(876,114,857)	(902,800,000)	(+102,800,000)	(+26,685,143)
Subtotal	(2,000,000,000)	(876,114,857)	(2,257,000,000)	(+257,000,000)	(+1,380,885,143)
Major capital investments (Highway Trust Fund, Mass Transit Account) (liquidation of contract authority) .....	.....	(1,900,000,000)	.....	.....	(-1,900,000,000)
Mass transit capital fund (Highway Trust Fund) (liquidation of contract authorization)	(2,350,000,000)	.....	(1,805,600,000)	(-544,400,000)	(+1,805,600,000)
Job access and reverse commute grants (general fund) .....	.....	.....	10,000,000	+10,000,000	+10,000,000
(Highway Trust Fund, Mass Transit Account) (limitation on obligations) .....	.....	.....	(40,000,000)	(+40,000,000)	(+40,000,000)
Subtotal, Job access and reverse commute grants .....	.....	.....	(50,000,000)	(+50,000,000)	(+50,000,000)

Washington Metropolitan Area Transit Authority (general fund)	200,000,000	.....	50,000,000	-150,000,000	+ 50,000,000
Washington Metropolitan Area Transit Authority (Highway Trust Fund, Mass Transit Account) .....	.....	50,300,000	.....	.....	-50,300,000
Total, Federal Transit Administration	583,738,000	190,342,000	1,113,200,000	+ 529,462,000	+ 922,858,000
(Limitations on obligations)	(4,260,000,000)	(4,585,349,857)	(4,251,800,000)	(-8,200,000)	(-333,549,857)
Total budgetary resources	(4,843,738,000)	(4,775,691,857)	(5,365,000,000)	(+ 521,262,000)	(+ 589,308,143)
Saint Lawrence Seaway Development Corporation Operations and maintenance (Harbor Maintenance Trust Fund)	11,200,000	.....	11,496,000	+ 296,000	+ 11,496,000
Research and Special Programs Administration Research and special programs: Hazardous materials safety	15,342,000	15,863,000	15,863,000	+ 521,000	.....
Emergency transportation	2,443,000	997,000	997,000	-1,446,000	.....
Research and technology	3,446,000	3,851,000	3,700,000	+ 254,000	-151,000
Program and administrative support	8,219,000	8,944,000	8,819,000	+ 600,000	-125,000
Advanced vehicle technology consortia .....	.....	.....	5,000,000	+ 5,000,000	+ 5,000,000
Subtotal, research and special programs	29,450,000	29,655,000	34,379,000	+ 4,929,000	+ 4,724,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued**

(1) Agency and item	(2) Appropriated, 1998 (enacted to date)	(3) Budget esti- mates, 1999	(4) Recommended in bill	(5) Bill compared with appro- priated, 1998	(6) Bill compared with budget estimates, 1999
pipeline safety:					
Pipeline Safety Fund.....	28,000,000	32,163,000	28,973,000	+973,000	-3,190,000
Oil Spill Liability Trust Fund.....	3,300,000	3,300,000	4,475,000	+1,175,000	+1,175,000
Pipeline safety reserve.....	(1,465,000)	.....	(1,300,000)	(-165,000)	(+1,300,000)
Subtotal, Pipeline safety.....	31,300,000	35,463,000	33,448,000	+2,148,000	-2,015,000
emergency preparedness grants:					
Emergency preparedness fund.....	200,000	200,000	200,000	.....	.....
(Limitation on obligations).....	.....	.....	(9,600,000)	(+9,600,000)	(+9,600,000)
Total, Research and Special Programs Administration (Limitations on obligations).....	60,950,000	65,318,000	68,027,000	+7,077,000	+2,709,000
Total budgetary resources.....	(60,950,000)	(65,318,000)	(77,627,000)	(+16,677,000)	(+12,309,000)
Office of Inspector General					
Salaries and expenses.....	42,000,000	42,491,000	43,495,000	+1,495,000	+1,004,000
Surface Transportation Board					
Salaries and expenses.....	13,853,000	16,000,000	16,000,000	+2,147,000	.....
Offsetting collections.....	.....	-16,000,000	-2,600,000	-2,600,000	+13,400,000

General Provisions					
Transportation Administrative Service Center reduction					-20,000,000
National Aviation Review Commission (recession)					-752,000
Urban discretionary grants (recession)					-3,918,000
Net total, title I, Department of Transportation.....					+ 319,328,900
Appropriations.....					(+ 328,998,900)
Rescissions.....					(-9,670,000)
(Limitations on obligations).....					(+ 3,655,448,143)
(Exempt obligations).....					(-53,386,000)
Net total budgetary resources.....					(+ 3,921,391,043)

					-17,000,000
					-752,000
					-3,918,000
					+ 1,009,565,134
					(+ 267,126,900)
					(+ 742,438,234)
					(+ 4,143,314,000)
					(-385,386,000)
					(+ 4,767,493,134)

					-20,000,000
					-752,000
					-3,918,000
					13,676,452,900
					(13,686,122,900)
					(-9,670,000)
					(31,944,400,000)
					(1,211,614,000)
					(46,832,466,900)

					13,357,124,000
					(13,357,124,000)
					(28,288,951,857)
					(1,265,000,000)
					(42,911,075,857)

					-3,000,000
					12,666,887,766
					(13,418,996,000)
					(-752,108,234)
					(27,801,086,000)
					(1,597,000,000)
					(42,064,973,766)

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued**

(1) Agency and item	(2) Appropriated 1998 (enacted to date)	(3) Budget esti- mates, 1999	(4) Recommended in bill	(5) Bill compared with appro- priated, 1998	(6) Bill compared with budget estimates, 1999
TITLE II - RELATED AGENCIES					
Architectural and Transportation Barriers Compliance Board					
Salaries and expenses	3,640,000	3,847,000	3,847,000	+ 207,000	.....
National Transportation Safety Board					
Salaries and expenses	53,771,000	47,200,000	53,300,000	-471,000	+6,100,000
Appropriation of user fees .....	.....	6,000,000	.....	.....	-6,000,000
Emergency fund	1,000,000	1,000,000	1,000,000	.....	.....
Total, National Transportation Safety Board	54,771,000	54,200,000	54,300,000	-471,000	+ 100,000
Total, title II, Related Agencies	58,411,000	58,047,000	58,147,000	-264,000	+ 100,000
Net total appropriations	12,725,298,766	13,415,171,000	13,734,599,900	+ 1,009,301,134	+ 319,428,900
Scorekeeping adjustments:					
Pipeline safety (OSLTF)	1,000,000	.....	1,300,000	+ 300,000	+ 1,300,000
Coast Guard adjustment .....	.....	1,000,000	.....	.....	-1,000,000
FAA adjustment .....	.....	43,000,000	.....	.....	-43,000,000

Net grand total	12,726,298,766	13,459,171,000	13,735,899,900	+1,009,601,134	+276,728,900
Appropriations	(13,476,407,000)	(13,459,171,000)	(13,745,569,900)	(+267,162,900)	(+286,398,900)
Rescissions	(-752,108,234)	.....	(-9,670,000)	(+742,438,234)	(-9,670,000)
(Limitations on obligations)	(27,801,086,000)	(28,288,951,857)	(31,944,400,000)	(+4,143,314,000)	(+3,655,448,143)
(Exempt obligations)	(1,597,000,000)	(1,265,000,000)	(1,211,614,000)	(-385,386,000)	(-53,386,000)
Net grand total budgetary resources	(42,124,384,766)	(43,013,122,857)	(46,891,913,900)	(+4,767,529,134)	(+3,878,791,043)
302B SUMMARY					
Total mandatory and discretionary	12,726,298,766	13,459,171,000	13,735,899,900	+1,009,601,134	+276,728,900
Mandatory	653,196,000	684,000,000	684,000,000	+30,804,000	.....
Discretionary:					
Highway category:					
(Limitation on obligations)	(21,841,086,000)	(21,998,602,000)	(25,883,000,000)	(+4,041,914,000)	(+3,884,398,000)
Mass Transit category	583,738,000	140,042,000	1,113,200,000	+529,462,000	+973,158,000
(Limitation on obligations)	(4,260,000,000)	(876,114,857)	(4,261,400,000)	(+1,400,000)	(+3,385,285,143)
Total, Mass Transit category	4,843,738,000	1,016,156,857	5,374,600,000	+530,862,000	+4,358,443,143
Budget scoring	583,738,000	140,042,000	1,122,800,000	+539,062,000	+982,758,000
General purposes:					
Defense (050)	300,000,000	309,000,000	300,000,000	.....	-9,000,000
Nondefense	11,189,364,766	12,326,129,000	11,629,099,900	+439,735,134	-697,029,100
Total, Discretionary	12,073,102,766	12,775,171,000	13,051,899,900	+978,797,134	+276,728,900

ADDITIONAL VIEWS OF HON. FRANK R. WOLF

For fiscal year 1999, the Committee has provided \$3,922,000,000 for Coast Guard operations and acquisition activities including \$406,000,000 to support America's "War on Drugs." As a result of the high priority the Committee places on the eradication of illegal drug use by Americans, and its youth in particular, the Committee has included over \$73 million more for this effort than was requested by the administration. It is because I hold such strong views on this topic that I have included these "Additional Views" in the Committee's report urging the Coast Guard to use force to prevent drugs from reaching our shores and to increase efforts to apprehend known drug traffickers. With the additional funding provided in this bill the Coast Guard must be allowed to be more aggressive in its pursuit of drug traffickers. If America is going to be called upon to provide more for drug interdiction, Americans should know that their money is being put to its best and most effective use.

Every year I visit schools in my congressional district taking the opportunity to spend time with teachers, administrators and students. What I am hearing from them about illegal drug use is alarming. I have hosted workshops and conferences on the drug problem and invited parents and community leaders. What I see is a frustration that while we talk a great deal about the elimination of drugs, not enough is being done. I agree. The "War on Drugs" is truly a battle for the heart and soul of our nation and simply throwing money at it will not win it.

There is a great deal of debate on how best to curb illegal drug use in America. Some propose greater educational and rehabilitative programs to curb demand. Other stress interdiction and the need to work with source countries to eliminate supply.

In my opinion, education and treatment must be the foundation upon efforts to eliminate illegal drug use are built. By educating our youth about the perils of drug use and by extending a helping hand to those afflicted by this scourge, America can prevail in the "War on Drugs." Initiatives such as the "Drug Free Communities Act" and the "Drug Free Workplaces Act" which support community-based educational efforts can play an important role in this effort. So too must America's families. We must provide parents with every tool necessary to assist in this effort including the ability to speak frankly with clinicians and physicians about their children's drug use, a right many parents today do not enjoy.

In the mid to late 1980's, President and Mrs. Reagan provided national leadership in America's effort to rid itself of illegal drugs, and through the "Just Say No" campaign significantly reduced illegal drug use in our nation. But no battle is won forever. In a recent National Parents' Resource Institute for Drug Education (PRIDE) survey, 25 percent of senior high school students responded that

they have used drugs at least once a month. Each generation must remain vigilant in its efforts. We must stress the importance of education and rehabilitation as keys to eliminating the use of illegal drugs in America.

At the same time, congressional leadership has stressed the role of interdiction in the "War in Drugs" and funding for the Coast Guard in this bill provides more for this effort. It is in this regard that I suggest that if America is going to spend more of its taxpayers' money on interdiction, it must be more aggressive in combating illegal drug suppliers. We must rethink our "shoot-down" policy as well as the policy on apprehension of drug traffickers. By doing so, we send a strong message to all engaged in the drug trade that America is serious about winning this war.

This is not a new idea. In 1990, former Rep. Lawrence Coughlin of Pennsylvania, who served as the ranking minority member of the Transportation subcommittee, introduced the "Airborne Drug Trafficking Deterrence Act" because the Coast Guard lacked the tools to adequately engage drug traffickers using aircraft to transport their poison to America.

In 1998, the situation remains much the same. Today, the Coast Guard has the ability to fire warning shots, and disabling fire, at boats suspected of transporting illegal drugs. It is a resource that is available today, but in my opinion is not used enough. However, the Coast Guard has virtually no power to deal with drugs being transported via aircraft. Only in those narrow situation where an aircraft poses an imminent threat of death or serious bodily injury to any person may the Coast Guard act. In addition, none of the Coast Guard's aircraft are currently equipped with firepower.

As Rep. Coughlin said, the Coast Guard has "enormous capability to detect, monitor and follow drug smugglers but little ability to take any action which might deter them . . . they follow drug smugglers with expensive radars and chase planes. They watch them deliver their drugs, and they escort them away from the drop site. They are well trained, attentive to procedure, professional—and, unfortunately, they are helpless, because they can take no action against such an aircraft."

Coast Guard aircraft should be outfitted with the necessary firepower or the resources of our armed forces should be made available at their disposal to carry out this important mission.

Is not the delivery of drugs to America a threat of death or serious bodily injury? In 1988, then Assistant Attorney General William Weld stated that an argument for firing upon aircraft known to be transporting illegal drugs could be made "if sufficient nexus can be established between air transportation of drugs and the physical harm that might result when the drugs reach their intended." In my opinion, the required nexus exists—illegal drugs of the sort being transported via aircraft do pose a threat of death and serious bodily injury to Americans.

A more aggressive shoot-down policy would also have the effect of deterring drug smuggling via aircraft. A smuggler who knows that his plane, and his life, could be lost in the delivery of drugs may think again before making the run. In 1990, former Coast Guard Commandant Paul Yost agreed, and in a letter to Congress wrote, "In my view, the use of force against airborne drug traffick-

ers, under certain conditions, is not only justified but necessary given the world we live in.”

In addition, the United States must be more aggressive in its effort to apprehend known drug traffickers, regardless of their location. Earlier this year, the Customs Service, Justice Department and Federal Reserve Bank culminated a bold three-year investigation of drug-money laundering with charges against bankers with 12 of Mexico’s largest 19 banks. “Operation Casablanca” resulted in the seizure of two tons of cocaine, four tons of marijuana, and most importantly, the arrest of more than 100 individuals engaged in the drug trade.

While “Operation Casablanca” is a positive step in America’s “War on Drugs,” we cannot claim victory. In addition to seizing laundered proceeds from the drug trade, the United States should consider developing a program to seize individuals who perpetuate the sale of narcotics in America. If foreign governments are not willing to apprehend known drug traffickers in their countries, then the United States should. With the funds provided by this Committee and others in Congress to defeat drug use, intelligence gathered on the drug trade should be put to the most productive use, including the seizure of individuals.

The “War on Drugs” demands bold and innovative steps. It requires a balance of strategies to eliminate supply and demand. Education and rehabilitation can work as they have in the past and these important efforts must continue. But if we are going to place a priority on interdiction as the congressional leadership has, there is more we can do. Firing upon known drug traffickers, and apprehending them wherever they may be, would be a good start.

FRANK R. WOLF.

ADDITIONAL VIEWS OF HON. DAVID OBEY

WHY IS THE FEDERAL BUDGET BALANCED?

Fiscal Year 1998 will mark the first balanced budget in 29 years. On July 15, 1998 the Congressional Budget Office revised its surplus estimate once again predicting that the 1998 surplus will be \$63 billion, and if the current policies remain unchanged, the surplus is expected to rise to \$80 billion in 1999. The OMB's Mid-Session Review issued on May 26, 1998 predicts a 1998 surplus of \$39 billion. This is a remarkable turnabout given that as recently as FY 1992, the federal deficit was \$290 billion. This surplus is the culmination of six years in a row of successively improved fiscal balances, the longest such period of improvement in history; will cause the debt burden to shrink for the fourth year in a row (i.e., debt held by the public as a share of GDP; and will cause mandatory net interest payments to start shrinking as a share of the budget and as a share of the economy—leaving more room in the budget for productive activities.

Soon after May surplus projections were released, the Majority Party issued a flurry of press releases making the claim that so-called "Balanced Budget" legislation and other bills enacted by Congress last year are responsible for this turnabout. Such claims are simply not credible. Just as it took years of fiscal imprudence in the 1980's and early 1990's to build up a \$290 billion deficit by 1992, it took years of adhering to disciplined and responsible fiscal and monetary policies since 1992 to dig out of this deficit position.

WHAT CAUSED THE 1998 SURPLUS?—CBO'S EXPLANATION

So what are the precise reasons for this dramatic turnaround since President Bush left office with a \$290 billion deficit? The CBO has issued data that answers this question objectively and decisively.

According to the CBO data, the remarkable fiscal turnaround has been due to three primary factors: An improved economy with six years of sustained growth; legislation passed by the 103rd Democratic Congress in 1993 and 1994; and a slower rise in the cost of medical care (e.g., Medicare/Medicaid) than projected.

Conspicuously absent from CBO's analysis of reasons for the 1998 surplus is the fiscal effect of laws enacted by Republican congresses between 1995 and the present date. The reason for this is that the CBO actually totes up legislation enacted in the period that Republican have been in control of Congress as raising the deficit by more than it cut in 1998. The sum total of laws passed by the 104th and 105th Republican congresses will cost the Treasury roughly \$11,000,000,000 more in FY 1998 than they saved.

In January 1993 when President Clinton took office, CBO made the alarming prediction that the federal deficit for the next five

years would go through the roof—to \$357 billion by fiscal 1998. This was despite the fact that the economy was expected to improve over that five-year timeframe. Since then, we have been able to wipe out this \$357 billion deficit and build a surplus of \$43 billion—a net change of \$400 billion.

The CBO attributes this astounding turnaround to the following major reasons:

Major Reasons for the FY 1998 Surplus

<i>CBO Estimate</i>	<i>Billions</i>
Projected FY 1998 Deficit (Jan. 1993 CBO forecast)	\$357
Major Factors for Fiscal Change Since 1992:	
Improved economy (revenues higher/entitlement costs lower than 1993 forecast)	¹ - 210
Democratic Congress (budgetary effect of legislation passed in 1993 and 1994)	- 141
Health care costs (lower cost increases for Medicare/other health care programs than 1993 forecast)	- 60
Total Deficit Reduction	- 411
Republican Congresses (budgetary effect of legislation passed 1995-present)	+ 11
Total Fiscal Change	- 400

¹ Minimum.

Despite claims to the contrary, CBO data show that the combined fiscal effect of the laws enacted by the 104th and 105th Republican Congresses is to add \$11,000,000,000 more to the deficit than it cut in Fiscal Year 1998.

Clearly the CBO numbers confirm that the major credit for creating the 1998 surplus must go to actions of the 103rd Democratic Congress, which not only produced real net savings of \$141 billion, but created the conditions necessary to adopt pro-growth monetary policies that have been very successful. The centerpiece of this effort, the deficit reduction bill passed in 1993, was described as follows by Federal Reserve Chairman Greenspan: "There's no question that the impact of bringing the deficit down [through the 1993 budget bill] set in place a series of events—a virtuous cycle, if I may put it that way—which has led us to where we are." (In testimony before the House Budget Committee, March 4, 1998.)

The facts show that the 1998 budget is balanced despite Republican legislative efforts, not because of them.

DAVID OBEY.

